Port of Brookings Harbor / Regular Meeting

July 21, 2015

1. CALL TO ORDER AND ROLL CALL

The Regular Meeting of the Port of Brookings Harbor Board of Commissioners was held on July 21, 2015 in the Best Western Beachfront Inn meeting room, Harbor, Oregon. Chairman Roy Davis called the meeting to order at 7:00pm. Director Ted Fitzgerald performed a role call. Commissioners present were Roger Thompson, Sue Gold, Mike Manning, Tim Patterson. Also present was Executive Director Ted Fitzgerald.

1. APPROVAL OF AGENDA

Chair. Davis moved to approve the agenda as written, with an amendment to include the oath of office for Roger Thompson and re-elected Roy Davis. Sue Gold said we also need to elect officers. It was informally decided that the Poundage Fee should remain a discussion item, and therefore not be added to the action items.

Sue Gold moves to approve the agenda as amended (which includes oath of office and the election of officers).

Motion is seconded by Chairman Roy Davis, Voting Yes: Comm. Thompson, Vice Chair. Gold, Comm. Manning, Comm. Patterson.

1. SWEARING IN OF COMMISIONERS:

Sue Gold: This is the oath of office:

\*Sue Gold with Roy Davis and Roger Thompson repeating\*: I do solemnly swear, that I will support the constitution of the United States, and the constitution of the State of Oregon, and that I will faithfully fulfill the duties of the office of commissioner, of the Port of Brooking Harbor Board of Commissioners, to the best of my ability.

Sue Gold: Ok, Congratulations

1. ELECTION OF OFFICES

Sue Gold moves to retain Roy Davis as Chairman, Mike Manning seconds the motion.

Voting Yes: Roger Thompson, Sue Gold, Roy Davis, Mike Manning, Tim Patterson.

Sue Gold moves to elect Mike Manning as Treasurer. Mike Manning

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seconds the motion.

Voting Yes: Roger Thompson, Sue Gold, Roy Davis, Mike Manning.

Voting No: Tim Patterson

Some discussion takes place regarding the necessity of Vice Chair. Prior to voting, Tim

Patterson wanted to discuss the action item of electing Mike Manning as Treasurer,

saying that his business relationship with the port makes it “too close of a call”.

Director Ted Fitzgerald comments that Mike Manning’s lease as the same as before. Tim Patterson says that the size and scope of it is relatively huge. Ted Fitzgerald comments further that the relationship is just a straight lease, as before, and that Commissioner Mike Manning and the Port had been working on a partnership which did not work out due to the Port’s financial situation.

Tim Patterson wants a revote because the voting in of Mike Manning was out of order.

Chairmen Roy Davis makes a motion to elect Mike Manning Treasurer of this Port Board of Commissioners. Sue Gold seconds the motion.

Voting Yes: Sue Gold, Roy Davis, Mike Manning.

Voting No: Roger Thompson, Tim Patterson.

Motion Carries.

Mike Manning nominates Sue Gold for the Vice Chair of the Port Board of Commissioners. Tim Patterson seconds.

Executive Director Ted Fitzgerald asks if there’s need for discussion and then calls the vote.

Voting Yes: Roger Thompson, Sue Gold, Roy Davis, Mike Manning, Tim Patterson.

Motion Passes unanimously.

1. APPROVAL OF MINUTES

Vice Chair Gold moves to approve the May 19th, 2015 minutes. Commissioner Patterson seconds the motion.

Voting Yes: Sue Gold, Roy Davis, Mike Manning, Tim Patterson.

Abstain: Roger Thompson

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Sue Gold makes a motion to approve the minutes of June 16th, 2015. Tim Patterson seconds the motion.

Voting Yes: Sue Gold, Roy Davis, Mike Manning, Tim Patterson

Abstain: Roger Thompson

There is some discussion about the minutes, and it is generally agreed that less verbatim and more summary will suffice. Because there is an audio file, direct transcription is not necessary.

Roger Thompson begins to describe some problems he sees in the check registry that he got, with difficulty, a day prior at the Port Office. Chairman Davis states that the Operational and financial review should be commented on following the reading of the Manager’s Report by the Executive Director.

1. OPERATIONAL AND FINANCIAL REVIEW

Revenues from operations were $261,780. Normal expenses were $301,774. The two categories together after property tax revenue, grant expense and debt service resulted in a net operating profit of $42,871.

Marina/moorage revenues came in at $55,886.

RV Park revenue was $67,439.

Fuel sales were $93,483.

Cold storage revenues were $1,739.

Yard activity revenue was $14,724.

Rental revenue was $33,432.

The ice plant generated $25,552.

Repair and maintenance expenses were $22,584.

Fuel purchased for resale was $96,864.

Utility expenses were $18,307.

Office expense was $11,394.

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The month of June was active, with continuing work on the RV Park and the launch ramp parking lot. Commercial salmon season has been less than desired, but approximately what was predicted.

The final draft of the strategic plan was received, after endorsement by the state, and distributed to the commissioners. Copies of the plan are available at the port office. I am happy to say that since being unanimously directed by the commission last year to put the plan into effect, several of the major goals are either underway or have been achieved. After the commission’s recent review of the plan, I would like to know if any of the commissioners have any comments about our progress.

You will note that, in keeping with the Financial Plan approved in the Strategic Business Plan, Goal 1.1 is ongoing, specifically our work with lending partners to restructure debts owed. Because of the precarious condition of the Port’s finances, this goal has occupied the majority of the port’s time, and will continue to do so for some time. I have been reporting on our progress in that regard over the last several months, which I re-produce here to refresh your memories from previous recent meetings:

May 19, 2015

Over the last several months we have spent a lot of time focusing on the port’s finances and procedures, but in particular our outstanding debt. We currently have three outstanding debts: Our USDA bond payment for the sport basin dock renovation completed in 2000, roughly $72,000.00 of debt remaining outstanding on an original note for $300,000.00 that we began making payments on in 2010, and the outstanding debt owed to the state of Oregon through the Infrastructure Finance Authority, the result of numerous loans for projects contemplated in the ‘80’s, ‘90’s and early 2000’s, of which about 3.5 million dollars of outstanding principal still remains owed. You may recall the port entered into a debt re-structure with IFA in late 2009 in which the port makes equal quarterly payments of $62,500 until 2030, with the majority of each payment going to principal, and as each underlying note comes due the director of IFA can, in his discretion, write off each notes accumulated and unpaid interest.

I n my talks with IFA over the last six months, it became clear that IFA is unhappy with this arrangement and wishes to increase the port’s payments. In relation to this changed position on the part of IFA, it does not appear likely that interest will, in fact be written off as the underlying notes come due.

In order to clarify the port’s actual financial position to the IFA, it was necessary to build a separate set of financials interpreting our audited financial statements over the last three years to separate normal port operations from the roughly 8 million dollars of money injected into the system for 2011 tsunami repairs by FEMA. I commend Jim Relaford,

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working with our auditor Signe Grimstad and her staff, for his efforts in this regard, which he completed recently at my request.

Based on this model, we have been able to enter into discussion with IFA regarding its perceptions of the Port’s financial fitness and prospects for the future. The port’s position, if interest at various rates up to 7% on some of the state notes is included, is not sustainable. While the port’s business is more successful than ever, several million dollars’ worth of the money originally borrowed was either plowed into non-revenue generating assets like the green building and the Eureka Fisheries land or re-directed to cover operations. No business can be expected to be successful long-term if it is made responsible for debt that generates no revenue.

Accordingly, we have begun talks with alternative lenders with the intention of re-financing the debt away from the state so that this problem can be permanently resolved. As a part of this we have looked carefully at the current revenue generating capacity of the port necessary infrastructure repair and improvement, along with ways in which to limit expense.

June 16, 2015

Negotiations with the IFA regarding re-payment of the Port’s outstanding debt are currently on hold as we explore the possibility of re-financing the outstanding debt with another lender. Because, under our current arrangement with IFA, it is not feasible to borrow additional funds, developing a long-term strategy of adequately maintaining and improving the Port is not possible.

Working with the reality of the Port’s need to re-finance its debt and secure an ongoing relationship with a business lender going forward, during the first quarter of the upcoming fiscal year the port will be focusing on improving its efficiencies both at a bookkeeping level and in the field, as well as increasing revenue in areas where there is room for increase, as advised by our current lender.

Additionally, I have a Refinance Update. I contacted the IFA several times regarding the Debt Refinance deal that the IFA wants to modify. Their proposal was to raise our quarterly payment, which is $62,500 per quarter until 2030, to roughly $150,000 per quarter. In total, this would be an annual increase from $250,000 to $600,000. Alternatively, the IFA would like to see the port refinance its debt with another lender. To that end, we have met with various lenders including the Rural Development Department of the USDA last Friday in Portland. We submitted copies of our strategic plan to the USDA to let them get a snapshot of where the port is and where it hopes to go in the next several years. Initial reactions from the USDA are positive with some reservations. Early suggestions are to get as much of the interest discounted as possible,

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perhaps towards a general obligation bond to take our part of the financing and verify community support. This Thursday the appraiser will be on site to work on appraisal of the Port as a whole.

The strategic Business Plan lays out the strategies that the commission adopted during its development to deal with the port’s financial condition and needs regarding maintenance and ultimate development, and that is what we have been working toward over the last year. I want to reiterate to the commission and to the public that addressing the long-term financial stability of the port is of utmost importance, which is why I have repeated previous reports regarding our progress in this area.

The biggest news I have for the commission and the public is in regard to item 6 of the Port’s Strategic Facilities Plan. Some months ago I, along with Commissioner Mike Manning, visited our legislators in Salem and discussed the position we find ourselves in with IFA, wherein while we are not allowed to borrow, we are at the same time being asked to raise our annual debt payment from $250,000 to $600,000. We reviewed in detail the financial projections that show that without substantial changes, the port will find itself underwater in as little as nine years because of our debt load.

Our legislators were very concerned.

We then submitted copies of our strategic plan, with a pro forma for a new fish processing facility developed by BC Fisheries, proposed to be located on the unused Eureka Fisheries property. After review of both the Port’s plan and the business plan submitted by BC Fisheries, I am very proud to report that our legislators Representative Wayne Krieger and Senator Jeff Kruse listened to our message and took our cause to the rest of the legislature. The Port has been awarded by the state of Oregon a 1.5 million dollar appropriation to repair the commercial receiving dock adjacent to the Eureka Fisheries site, making the site useable as a fish receiving and processing facility.

This appropriation is not a loan. It is a grant of money from the legislature specifically for that specific dock repair, that will allow the port to bring into useful life property that it borrowed substantial sums to acquire some twelve years ago. LIKE the monies awarded by FEMA, this appropriation is ear-marked for a specific use and cannot be diluted and re-allocated to other areas that may want attention. It is in keeping with the goals and objectives of our strategic plan, and I want to affirm that we would not have gotten the money without our strategic plan, which has been developed over the last year and a half, and the comprehensive business model submitted to the state by BC Fisheries, the lessee of that parcel. I want to commend Representative Krieger and Senator Kruse for sharing our vision, and helping bring new jobs to our economically depressed region and potential for much more.

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We are now in the process of exploring the procedures surrounding the utilization of the funds for the dock repair, and what steps we must take to be able to immediately begin this time-sensitive project.

Roger Thompson takes issue with the check registry. The checks are not in order or by date. Also, Comm. Thompson finds it strange that we had no payment to Curry Transfer and Recycling and Ace Hardware. Old West Federal Credit is a lender Exec. Director Fitzgerald engaged with to get an appraiser. It is established that Payroll is done out of house. Quickbooks arranges the Profit and Loss, and there are some areas that have 0’s.

There is some debate regarding whether wages of individual employees should be discussed in a public meeting. It is agreed that the Port is a public entity, and that the Profit and Loss and financials are available to the public. However, privacy and discretion is appreciated with regards to specific employees’ financials.

Comm. Patterson questioned what the IFA has the right to do with regards to our loan. Exec. Director Fitzgerald states that although the IFA wants to increase the Port’s quarterly payment to $150,000, we can choose to keep our quarterly payments at $62,500 until 2030. Also, the IFA can choose to write off the interest when notes come due, and Exec. Director Fitzgerald has stated that this seems unlikely given the current relationship with the IFA. A refinance with another bank would aim to get our interest lowered to around 3% from the current rate of 7%. Exec. Director Fitzgerald states that, although he does not believe that the IFA has a right to alter our agreement, it is an expensive proposition to sue the State of Oregon.

Vice Chair Gold moves to approve the Operational and Financial Review. Commissioner Manning seconds the motion.

Vote Yes: Unanimous

1. PUBLIC COMMENTS

**Brad Pettinger:** Wants to clarify his talking position in the last and current meeting. Essentially, he is, and was, speaking on the behalf of the Trawl Commission. He is the Director of the Oregon Trawl Commission (OTC). He is speaking on his commissions behalf, on his request. The Oregon Department of Agriculture agrees that the OTC has the authority to speak in opposition of the poundage fee. Again, he is against the poundage fee.

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**Ralph Brown:** Speaks against the poundage fee. His processor is Bornstein, and he says they have said they can always pull out of the Port of Brookings (regarding if the poundage fees are passed). The Port of Brookings does not want to lose processors or the (commercial) fleet. He emphasizes that he spends a large amount of money every year at the Port of Brookings. This year he has spent $40,000 on moorage, fuel, and ice. If I leave, another boat will leave. If Pacific Choice also leaves, then many boats like his will also leave. He also states that commercial fishing enables the Port of Brookings to get dredged, a point which Exec. Director Fitzgerald debates. With regards to fuel, Astoria does not give a discount, but they have private companies that are *way* cheaper than here. Because of boats like his, the Port can buy fuel at competitive prices and sell at the retail value to other boats (non-commercial). There are various taxes that make business difficult already. He would hate for the poundage fee to be the straw that broke the camel’s back.

Comm. Tim Patterson: Which ports are the strongest competition?

Ralph Brown: Astoria, no question. 60% of the boats are operating out of there.

**Bernie Lindley:** Delivered 17,500 pounds of albacore. Pacific Choice does not really want them to unload in Brookings, they’d prefer for them to unload elsewhere (like Charleston). The landing tax could cause them to leave, and it gives them another reason for the canneries to not want to buy here (in Brookings). Bernie says that he would not have a landing tax in other ports due to the type of fishing that he does. He says he would land his product elsewhere and come back to Brookings.

**Brad (from Pacific Choice):** He says they aren’t in favor of the landing tax, but they do pay it to the Ports. It is earmarked for repairing the docks and such. He emphasizes that, due to maintenance, the Port of Brookings is the worst facility on the whole coast.

**Bob Rose:** Has an issue with how the launch passes are administered. For the past 27 years he has waited until June and only pays for half the launch fee, but this year he had to pay for an entire year even though he bought it in June.

Exec. Director Fitzgerald and Office Manager Jeremy Galvez emphasize that the launch passes go from January 1st until December 31st. Comm. Patterson clarifies that it’s similar to a fishing license.

**Jerry G:** Emphasizes that the music coming from Zola’s carries all the way to his, and his neighbors’ houses. Says that he talked to Zola’s Pizzeria, and they said they had a permit [and would not turn it down]. “We are being disturbed by this. And obscenities are screamed through the speakers as they’ve had more to drink. The music is acceptable during their dinner hour, and if I can work with somebody on this then it’s alright.”

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Executive Director Fitzgerald: I’ll work on it, here is my phone number, let’s work on it. Let me talk to Zola’s before we pass an ordinance or anything.

**Angie Christian:** Also has a complaint about the Zola’s music. Her windows vibrate, along with the stuff on the walls [from the subwoofers]. “I witnessed families leaving because of the volume and the obscenities.”

**Kathy Hall:** Has issues regarding the words being used and their definitions, and says that people do not understand what the words mean, including “public hoist” and “fish loader”. Misuse of terms causes confusion. She says the poundage fee is actually a tariff. She moves on to ask that the Commissioners remove the implementation of the tariff. She asks Commissioner Manning if he pays a tariff on top of the state tax, and also if the Port of Brookings provides people to work in his facilities.

Comm. Mike Manning: I don’t know what a fish loader is. The Port has never provided any employees to work in my facilities. I proposed a lease in Charleston earlier this year to offload sardines. The long term lease at Port Adams facility included a poundage fee that is above and beyond the Oregon tax that is specific to species, and is according to weight and includes a tier structure. I have another agreement in Bodega Bay that also includes landing fees for every pound that comes off that dock. I have strategic alliances with other businesses that include landing and/or poundage fees. Crescent City, Charleston, Bodega Bay, and San Francisco all have fees, and I have documentation to support what I said, I did not misrepresent the facts.

**Hugh Link:** I’m the executive director of the Oregon Dungeness Crab Commission. The Oregon fishing industry is thriving. The fleet is mobile, and we can fish anywhere in the state. Trucking for transportation is not a problem. Essentially, commercial fishermen are going to go to the most economically viable location. Local fleets already pay taxes and mooring to the community and Port. I want the Port to encourage processors to come to the Port instead of increasing fees and having the established processors leave.

There is some discussion with Exec. Director Fitzgerald regarding how the fees effect the boats. Hugh Link says any extra costs goes somewhere. He encourages various parties to get together to have a meeting to figure out a way to get the money that the Port needs.

Commissioner Manning: I want to say that the landing tax is not a new idea. Its part of the Strategic Plan that was implemented long ago.

**Skip Hunter:** Reporting for Connie Hunter. Regarding the Plan to develop the Green Building from the Wild River Veterans Association. They are asking for a hundred and twenty day extension to develop their plan.

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Comm. Patterson: I don’t think we should deny another vendor the space if they want to write a check. I don’t think we should put the rule on it (the 120 days).

Executive Director Fitzgerald: Comm. Patterson has a point, I think that they have their 90 days which is still ongoing, and we will wait and see what happens.

The 120 day extension is not granted

**Catherine Wiley:** Says the website does not work, and neither does the phone system. She emphasizes that the district taxpayers do *not* want to annex the Port of Brookings. However, Curry Health District is attempting to annex the Port *right now*. Kathryn Wiley introduces the idea of having a hospital built within the land and jurisdiction of the Port of Brookings, which could be a benefit to the Port financially.

Exec. Director Fitzgerald: We have a new website and new phone system.

**Ralph Martin:** On that note. If Curry Health District gets in trouble they can levy taxes, confiscate property, tax your boats, etc. Ralph questions the permit for off-leash dog training for one hundred dollars.

Exec. Director Ted Fitzgerald: We determine if the dog is adequately trained, we will approve a permit for those who want to train their dog’s off-leash. This is a middle-ground between the strict rule that there all dogs must be leashed in Curry County (and the State) and allowing well-trained dogs and their owners.

Comm. Patterson: Has the County allowed this permit? Are we responsible if the dog bites somebody?

Exec. Director Fitzgerald: They have not, and you bring up a good point with regards to liability. This is an opportunity for the Commission to change our stance on this.

Vice Chair Gold: I say that if we are going to be liable we should definitely not take on this liability.

The Board of Commissioners unanimously agree to overturn the dog-at-large permits already issued, and to not issue further permits.

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1. ACTION ITEMS

**Land Parcel Trade**

Exec. Director Fitzgerald: We were made aware of an unknown use of a portion of Port Property over here in the Parking Lot. It’s almost entirely useless to the Port, unless we lease it out to the Best Western (for minimal income). Dave Snazuk approached us, and they have a piece of land that they own that could be beneficial to the Port. I talked to our council, Jim Coffey, who said that we needed to get Commercial appraisals. Snazuk’s property is worth $18,000 dollars less than the Port’s, and they have offered to pay the difference in cash.

Comm. Roger Thompson: I just question how much Snazuk’s land is actually worth. Also, I’d rather just get straight cash for our property and pay off some debt.

Dave Snazuk: It has a flat piece of land, and it is more valuable than it looks. Also, it allows you to regulate the homeless population who camps out there frequently.

Exec. Director Fitzgerald: If we just took straight cash it would go straight to the state because of the loan agreement. With this deal we get this land, and the $18,000 goes to the state to pay off some of our debt.

Comm. Patterson moves to do the land swap. Vice Chair Gold seconds the motion.

Vote Yes: Sue Gold, Roy Davis, Mike Manning, Tim Patterson

Vote No: Roger Thompson

Motion Passes

**Tidewinds Lease**

Exec. Director Fitzgerald: We discussed this lease agreement in the last meeting. Basically, in return for turning over the Tidewinds owned buildings so the Port can control the buildings on its property and proceed forward with its long term strategic plan- that is to own all of the real estate and improvements on Port property, especially in that area. This is a step we started taking some months ago. Tidewinds moved into their new location. With this lease they would release the buildings for the Port’s use with the understanding that those buildings will *not* be used for businesses that compete with Tidewinds Fishing Charter. We also need to make sure that Tidewinds has adequate signage to accommodate them so their tenants can get used to the new area. We have to work with them to get a process that works for the use of new buildings.

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Comm. Thompson: I have some questions on this one too, Ted. It says right here in the second paragraph: ‘per the terms of the second agreement’, where is the second agreement?

Exec. Director Fitzgerald: The separate agreement was taking over the buildings and giving them credit for the buildings so that they need to be paid for the buildings. The Port does not have the money so we will give them a credit over the next 5 years.

Comm. Thompson: So the $6,740 is a credit, we are giving them, for the buildings?

Exec. Director Fitzgerald: Well, no its $14,000 credit, because there are two buildings.

Comm. Thompson: Does this $668 a month go on for 20 years or 10 years or 5 years?

Exec. Director Fitzgerald: The lease has the normal rate that they would pay, the $1.05/ square foot, for their spot.

Comm. Thompson: $1.05/ sq. ft. times 735.

Exec. Director Fitzgerald: That must be the reduced rate.

Comm. Thompson: Yeah you reduced it to 668, and if you figured out its 102.90 a month times 60 months is $6,174. And does the signage go on for 5 years or for the whole 20 years lease?

Exec. Director Fitzgerald: As you see in the lease, the goal in this is to eventually move them to a new building altogether. So we need to provide them with adequate signage for the duration of their lease, yes, as long as they stay in that spot.

Comm. Thompson: So the duration of lease they can renew their lease for how many times over, 20 years total. So that second building is going to have their name on it unless it gets torn down.

Exec. Director Fitzgerald: Yes, unless it gets torn down. Hopefully we can get it torn down in 20 years, so it won’t be standing in 20 years…

Comm. Patterson: I want to understand, the current, normal rate is $1.07/sq. ft. right now, right? And that increases by the cost of living. And you are doing this at $0.91/ sq. ft.?

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Exec. Director Fitzgerald: Right, we are giving them a discount based on their credit over 5 years. Their rent is not going to go up. What they were paying was a total of $400 per month. So, they agreed to pay more rent, 6 or 700 a month. We are taking the purchase price for the buildings, the value of the buildings, and giving the credit to them on the rent over 5 years.

Comm. Patterson: So the difference in their payment and the $1.07/sq. ft. rate is due to the applied credit?

Exec. Director Fitzgerald: Yes, until they use up the credit. And in the event that we do get refinanced and we can put up a new building, then at that point we will have to relook at this lease and come up with a different rate for them because they will be using a different square footage and so forth. But they will still have the credit that they can work against.

Comm. Patterson: When do the buildings become our property?

Exec. Director Fitzgerald: Immediately

Comm. Patterson: No, I mean if they continue their lease, at the end of their lease, do the buildings become our property?

Exec. Director Fitzgerald: When we sign the lease.

Comm. Patterson: We have buildings that are owned by tenants. At the end of the lease, the buildings become Port property. That’s normal policy at this point. Isn’t that the case of this.

Exec. Director Fitzgerald: The Tidewinds rate is very low and over a long time period. The other building is shorter, I believe 4 years.

Comm. Patterson: So that is the case here, correct?

Exec. Director Fitzgerald: Yes, but it seemed like this was a better way to get our tenant in a better position moving forward so that we can actually have control over those buildings. It’s been my experience that when the tenant has this relationship with the Port, when they own the building, they tend to have some unrealistic expectations on how they will extend past their lease terms. This is problematic for long term planning when you have opponents to your plan that you didn’t know about, such as our strategic plan.

Vice Chair Gold moves to approve the Tidewinds Lease. Mike Manning seconds.

Vote Yes: Roger Thompson, Sue Gold, Roy Davis, Mike Manning

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Vote No: Tim Patterson

**Motion Passes**

1. DISCUSSION ITEM

**Landing Tariff**

Comm. Thompson: I’ve heard from Ted since he has been Executive Director that the Pac. Choice/Hallmark Dock is in real bad shape. I think the landing tariff would be good for the Port. The money has to come from somewhere, and FEMA didn’t fix the dock.

Exec. Director Fitzgerald: As I’ve brought up, there are numerous costs that we have. The moorage slips for regular boats have issues. Also, there is the garbage problem; when you have a great crab year you also have a great amount of trash. I’d like to see us be able to spend the money where we want. This port is an integrated enterprise; for example people don’t want to pay for Zola’s roof, well Zola’s paid to pick up your garbage. I’ve heard threats that people are going to leave (if we pass the tariff). I’ve heard Hallmark is going to leave; well the tariff is negotiated into their lease. We could apply this tariff (that is a smaller percentage with a cap) to everyone down the line.

Vice Chair Gold: Can we get the buyers together to talk this out?

Exec. Director Fitzgerald: I’d like to get the fishermen involved. I talked to Bornstein about it, they said they’d be for it if we suspended all rent…obviously this is not a tenable position, that’s one of our buyers.

After much discussion it is agreed that during the next 2 months Executive Director Fitzgerald will organize a meeting/public workshop, hopefully with the fishermen and buyers involved.

There was an exchange between Chairman Davis and Comm. Thompson regarding the ethics of Chairman Davis’ being involved in the discussion of the poundage fee when he has a business relationship with the boats. Chairman Davis invites Comm. Thompson to inquire with the Oregon Ethics Board.

Comm. Thompson: In my opinion we should raise the rates on fuel and moorage to pay for the Port’s expenses.

Kathy Hall: The ice rates are already extremely high.

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Jean: Why are we not doing bids on fuel anymore? Is the contract with Carson the lowest?

Exec. Director Fitzgerald: We have a supply contract with Carson. We can’t sell the gas for what we get it for, we have overhead. I actually have to work very hard to keep the fuel company. If people are unhappy with it, we can work something else out. Also, the fuel being delivered (back when we did bids) wasn’t marine grade fuel when I checked it, and I do not like to send my boats out without marine grade fuel.

Comm. Patterson: Lets let them get together and talk about a rate, they don’t decide it but they can bring it back and the Commissioners can decide.

There is some discussion regarding the Sport and Commercial fees and usage. The history of the Port is briefly discussed.

Ralph Brown: Compares the Profit and Loss from last year and this year. We could get this group together with Ted and discuss the details hopefully come up with some feasible solutions to the problem.

9. COMMISSIONERS REPORT

Comm. Thompson: One of the biggest complaints I had is that the Port’s transparency has not been very good. Thank You.

Vice Chair Gold: The complaint regarding Zola’s music was going to be my main contribution tonight.

Chairman Davis: The new tent sites and the dry camping sites are nice. There is a lot of positive going on in the Port, it’s not all negative. There is a lot of work being done. And we all know that this place has always been slow by slow, it’s a government entity.

Comm. Manning and Comm. Patterson had no report.

8. ADJOURNMENT

 The meeting was unanimously adjourned at 9:50 p.m.

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