

**Port of Hood River Commission  
Meeting Minutes of December 11, 2012 Fall Strategic Planning Work Session  
Marina Center Boardroom  
12:00 Noon**

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**THESE MINUTES ARE NOT OFFICIAL until approved by the Port Commission at the next regular meeting.**

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**Present:** Commissioners Jon Davies, Fred Duckwall, Rich McBride, Brian Shortt, and Hoby Streich; Attorney Jerry Jaques; from staff, Michael McElwee, Steve Burdick, Fred Kowell, Liz Whitmore, Mellissa Halseth (for Marina discussions) and Laurie Borton

**Absent:** None

**Media:** None

*Following a lunch break, President Jon Davies called the fall strategic planning work session to order at 12:15 p.m.*

**1. Overview/Objectives:** President Davies welcomed the Commission and staff to the fall planning session, which is intended to provide an opportunity to have in-depth discussions on key projects and policy matters as well as longer-term policy and planning initiatives. Davies encouraged an open discussion with questions asked at any time. Executive Director Michael McElwee also summarized the work session as an opportunity to look at the big picture and policy direction and that discussions will guide staff to better prepare recommendations for future Commission consideration and possible action. McElwee said the Port has the tools and pieces in place to be the best and to reach the next level of accomplishments, updates, and upgrades, although some, he said may need to be held due to financial limitations. McElwee said he would like to refocus on practices and policies, and in the next year he views the challenges to be Lot 1 and Nichols Basin developments due to public expectations because of the recent cable park notoriety.

**2. Financial Summary:** Davies welcomed Finance Manager Fred Kowell to his first planning session with the Port of Hood River. Kowell commented on June 30, 2012 year end reports for the Revenue, General, and Bridge Repair and Replacements funds, and a schedule of Cash Inflows and Uses. Although 52-54% of the Port's revenue is from the bridge, he pointed to toll revenues being under projection because just six-months of revenue were reflected since the January 2012 toll increase. Kowell also noted there is a tendency to see a big variance in capital expenditures due to seasonal, weather, and ramp-up variables; and that year in/year out \$1 million in discretionary funds are available but that half should be devoted to the Port's largest asset—the bridge. Kowell also commented the Port had done a good job adhering to the budget, but that reserves had been drawn down close to \$2.5 million. He also reminded the Commission that there is a restricted reserve of \$700,000 for bond debt covenants. Overall, Kowell's message to the Commission was that the Port did not need to brake on projects but that caution should be used on decisions.

**3. Discussion Topics:** Staff led the Commission through discussions on the following topics:

Administration

**Financial Processes**— The Port currently utilizes Great Plains, which is a private-sector system and Kowell explained that it's labor intensive to cross-post entries and to easily retrieve reports that would be beneficial to provide to the Commission on a more frequent basis. A Request for Proposals would be issued for a new accounting system; hardware changes would not be required, other than routine computer upgrades, and migration assistance from one program to another would be included. There was Commission support for Kowell to start looking at a replacement for Great Plains.

**Technology Upgrades**– Kowell reported on a new program that State Archives offers related to records retention. The upfront cost unknown at this time but the monthly fee for a single license is \$40. There was Commission support for Kowell to continue investigating this option for the Port. Kowell is also looking into providing a product for on-line payments for BreezeBy customers, which could also be extended to building, marina and T-Hangar tenants, Event Site permits, etc. Kowell also received Commission support for this customer support tool. The existing emergency backup generator services the BreezeBy system and toll booth. The office server, personal computers and lighting are not supported by the generator; however, the extra capacity that is not being used for the heated lane mats, which creates programming errors for BreezeBy, can be converted for office use without having to add another generator. There was Commission support for this reconfiguration. The BreezeBy system currently uses Microsoft XP, which Kowell said that at some undetermined time in the future will become de-supported. Kowell reported that he will continue to work with Port consultants regarding next steps. McElwee informed the Commission that staff continues to look at policy issues regarding Port-issued devices to transmit meeting packet materials. The Commissioners will also have Port email addresses rather than using personal/work email address which is now the practice. The Commission did not reach a consensus on use of an iPad, for example, versus continuing to receive packets in paper form.

#### Development

**Lot #1/Nichols Basin**– McElwee commented that the Commission should expect another round of discussion and public input to move the Group Mackenzie initial concept plans forward in 2013-2014 to look at approaches and needs for infrastructure and environmental reviews. He also reported that a flowage easement discussion would occur in January with the U.S. Army Corps of Engineers.

**Urban Renewal Projects**– The question before the Commission was whether or not the Port should consider funding the Waterfront Park parking project, and if so, would the project be Port-bid and constructed or funds loaned to the Urban Renewal Agency (UA) with a loan repayment agreement. Loan repayments from the URA on other waterfront projects have generally been on a 20-year repayment schedule; however, there was discussion that a much shorter loan repayment term should be requested. Staff was directed to contact City Finance Manager Lynn Rasmussen for further discussions. There was support from the Commission to have parking in front of the Waterfront Park done this spring.

*At 2:15 p.m. the Commission took a short break and work session discussions resumed at 2:25 p.m.*

**Expo Center**– Full Sail will vacate office space in the Expo Building in late 2013 or early 2014 and their need for warehouse space in the Expo, which is zoned commercial, has not been determined. Looking ahead, McElwee commented the Port will need to consider what steps to take, and when, to prepare the site and building for re-use.

**Asset Management**– Development Manager Steve Burdick discussed with the Commission the system he is using to log, prioritize and track building maintenance issues so that staff time is managed more efficiently and effectively with outside experts called upon appropriately. Burdick also mentioned that an ongoing system of tracking and managing issues will keep costs in line. The Commission was very pleased with the work Burdick is doing, with the one suggestion regarding the feasibility of adding outdoor areas to the plan.

**Real Estate Transaction Policy**– Draft changes to the policy related to sale commission percentages, definition of "Procuring Cause," and the schedule of when commissions are paid

were discussed. McElwee noted the intent was not to finalize changes to the April 15, 2008 Policy but to bring it back first quarter 2013 for further discussion.

#### Economic Development

**Local Economic Development Efforts**– McElwee briefly reported that the Hood River Economic Development Working Group (EDWOG), which was formed two years ago to improve communication and coordination of local agencies involved in economic development, continues to meet regularly, is still effective, and was recently expanded to include the community college and school district. A potential action of the group is to retain a marketing/outreach firm to raise the profile of development activities and opportunities—to “tell our story” so to speak.

**Regional Initiatives**– There was no discussion with regard to changing the time currently spent by Commissioners and staff in regional efforts serving on more than 18 boards and committees.

#### Recreation

**Waterfront Access Plan**– Liz Whitmore, Waterfront Coordinator spoke about an idea borne out of Waterfront Recreation Committee meetings to identify a narrative for both the recreational waterfront and each Port-owned recreation site. Whitmore said a study, which would include public meetings, would serve as a platform for future “To Do” lists. Discussion ensued about a number of items; for example, let the public know how much is spent so their expectations are reasonable; is the Marina Green the least-use asset and therefore should time and expense be reallocated to another area; do a better job in number counts of area visits; and do as much in-house study as possible before engaging the services of an outside consultant. The suggestion that tapping into the resources of an urban planning curriculum, at Portland State for example, was offered. In conclusion, staff will organize a report of the areas, starting with an outline to build on with information already at hand but to also talk to Portland State.

**Marina Operations**– A repurposing of the floatplane dock was discussed. Staff was directed to investigate what could be done, least cost, for the next 12 months. McElwee reported that the electrical system for the boat slips will likely occur this coming spring with construction in the fall. There was no discussion regarding proposed changes to the Marina Moorage Rules and Regulations.

**Marina Green**– There is a shortage of available playing fields county-wide and the Port currently supports use of the Marina Green for youth lacrosse and soccer. The Hood River County School District will be exploring the feasibility and cost of installing an artificial turf field at the high school to increase availability of fields in the county and has requested the Port assist with this exploration by covering a portion of the site-specific analysis cost. After discussion staff was directed to make adjustments to the sprinkler heads at the Marina Green for safety reasons, and to send a letter to the School District indicating the Port was supportive of their efforts to explore the feasibility of an artificial turf field at the high school but that the Port would not be supporting this study financially.

*At 4:45 p.m. the Commission took a short break and work session discussions resumed at 4:55 p.m.*

#### Bridge

**Future Capital Investments**– During the Financial Summary discussion, Kowell mentioned the current debt service would be satisfied in 2018; however, in reality Kowell said that

because the bridge was an asset that would go into perpetuity the Port should anticipate future bonds and debt service for future projects to ensure the viability of the bridge. McElwee reviewed that in the short term, costs are likely to be less as the bridge painting project was completed in a shorter period of time. Both mid- and long-term costs will likely begin to exceed previous estimates due to conditions observed during the painting project and the probably need to replace the bridge decking around 2033.

Airport

**Future Priorities-** The Port's capital investment priorities for the next 3 to 5 years were briefly reviewed. Burdick did report that any update to the Airport Layout Plan (ALP) would need to be funded entirely by the Port since the Federal Aviation Administration is not currently funding updates, and entitlement funds will not be available until 2015. There was discussion to hold off on the ALP until it is determined if/when the FBO will be moved to the north side of the airport.

**Operations Model-** The question for consideration was should it be Port policy that the airport be self-sufficient or should the market drive rates that generate revenues. The direction to staff was to involve the Airport Advisory Committee in the process for a buy-in, but that perhaps it was appropriate once the Runway Shift Project was complete to look at a market analysis to 'set the bar.'

**4. Other Topics:** No discussion.

**Adjourn:** President Davies adjourned the Fall Strategic Planning Work Session at 5:30 p.m. The Commission reconvened at 5:30 p.m. for the Regular Session meeting.

Respectfully submitted,

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Laurie Borton

ATTEST:

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Jon Davies, President, Port Commission

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Rich McBride, Secretary, Port Commission

(Note: This meeting was not tape recorded)