

Regular Commission Meeting
March 9, 2022 – 1:30 pm
2 Marine Drive, Boardman, Oregon 97818

I. CALL TO ORDER AND INTRODUCTIONS

Rick Stokoe called the meeting to order at 1:30 p.m.

Commissioners Present: Rick Stokoe, Marv Padberg, Jerry Healy and John Murray.
Joe Taylor was present via Zoom

Staff Present: Lisa Mittelsdorf, Eileen Hendricks, Mark Patton, Miff Devin, Jason Hendricks, Kalie Davis, Kim Rill, Erika Lasater, and Brandy Warburton

Visitors Present: Torrie Griggs, Patrick Maag, and Brian Maag

By Zoom Meeting: (Staff) Tim Patton and Marcine Brangham, and Marker 40 Golf Course
(Guests) Joanna Lamb, Tami Sinor, Kirby Garrett, Sam Tucker, Kim Cutsforth, Debbie Radie

II. CONSENT AGENDA

A. February 16, 2022 Regular Commission Meeting Minutes

John moved to approve the February meeting minutes. Marv seconded the motion. There was no further discussion. The motion passed unanimously.

B. Port of Morrow Procedure to Adopt Policy

John moved to approve the Procedure to Adopt Policy. Marv seconded the motion. No further discussion was had. The motion passed unanimously.

III. LEGISLATIVE UPDATES

- A. Federal** – Kirby gave an update on the happenings at Washington D.C. which included an overview of the upcoming fiscal year and project funding. \$1.5 trillion has been approved, including \$14 million for Ukraine. \$15 billion of COVID Aid has been removed. There is \$15 million designated for Marine Highways program. Congressional Directed Spending includes five specific projects for the Port for fiscal year 2023. 1) Assistance for wastewater infrastructure, \$1-3 million. 2) Exit 165 Interchange, \$2.5 million. 3) Workforce Development, just under \$1 million for the SAGE Center expansion. 4) Upgrade and repair of industrial park rail infrastructure, \$2 million. 5) Business incubator building in Irrigon, \$1.5 million.

Lisa asked what was decided for the Wastewater project. Kirby responded that it was in the hands of Wyden/Merkley's office. The average award is about \$1.5 billion, but larger ones have been funded. We're going to talk through it and request around \$3.5 million knowing it might need to be pared back.

IV. OLD BUSINESS

A. Heppner Flood Plain Funding Request/Resolution 2022-04

Lisa explained Resolution 2022-04 supports the matching funds request of \$240,000 for the \$1.2 million Heppner Mill Site EDA Grant previously discussed. It includes a letter of support.

The commission asked Mark about numbers for the project. He remarked that he received numbers from Anderson Perry which were high. \$1.2 would be a good spot for the grant. Further discussion was had regarding project costs in relation to the grant request.

Jerry moved to approve Resolution 2022-04. John seconded the motion. Rick asked to verify that there wasn't language committing the port to more than the \$240,000. Lisa and Brandy confirmed that wording in the resolution is specific for the amount. The motion passed unanimously.

B. Cleaver Sale

Lisa gave an informational only update on the status of the sale of property at Paterson Ferry. The purchase is for property under existing buildings. There have been a few questions regarding title insurance and boundary markers. Surveying was completed by UEC. Property corners have been marked.

C. Other

No other old business was discussed at the time.

V. NEW BUSINESS

A. Pass Through ARPA Grant

Eileen explained that ARPA funds were given to State House members for designated projects. An agreement was arranged between Ryan and Greg for the Port to be the fiscal agent. We are about to apply for \$2 million in funding with the intent to pass the funds through to the intended recipients: \$1 million to EOU for scholarships and \$1 million for Stepping Stones, a non-profit, to construct homeless housing projects in Hermiston. There are strict federal requirements that necessitate specific tracking for these funds. Permission and authorization from the Commission is needed to move forward. Jason remarked that a single audit would be required. Eileen added that another issue is that because it involves construction and the funds need to be spent by June 2024, it has the potential to span three audit years. Rick asked what the financial obligation would be for the Port. Eileen responded that time is the only obligation. Joe asked if we would receive anything for the commitment. Eileen replied that the Port would receive goodwill. Further discussion was had regarding potential audit fees. The BUILD Grant would require a single audit anyway. Sam noted that this is a process that we've done before with the East Improvement District. Rick asked about the timing needed. Some concern was expressed over the non-profit being able to track their grant and about potential liability for the Port. Sam

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responded that if federal requirements aren't met, the Port would be held accountable, but we would draft an agreement to insure proper tracking of the federal dollars. He also commented that we are well-respected in the Legislature and the State trusts us and respects the way we operate.

John moved to approve staff to apply for the funds and authorize Lisa as signer for documents. Marv seconded the motion. There was further discussion for clarification about the motion. The motion passed unanimously.

B. Community Projects

Mark reported that we have two projects underway. We will be surveying for the Irrigon Track project next week. We will also conduct mass excavation of the construction site for Boardman Rural Fire Department. Rick commented that Irrigon currently has a sand track, but the team is exceling in the State competitions.

C. Policy Update – Real Estate Broker Commission Policy

Brandy said that the current policy was updated in 2017. The policy was originally adopted in 1985. The only suggestion staff had was to add a number five to add the cost of the transaction for the purchaser. This is informational only.

D. Boardman Foods Purchase Option

Lisa said that in the packet was a letter of intent for option to purchase property. The property is located across the street for 8.72 acres for \$30,000 per acre. Brian Maag, Boardman Foods, commented that they will need more space to continue expansion within the next couple of years. POM Staff recommends approval.

Marv moved to accept the option to purchase and authorize Lisa to sign. John seconded the motion. There was no further discussion. The motion passed unanimously.

E. New Leases

Lisa had no new leases to discuss at this time.

F. Other

Eileen requested to add the CDA Grant. They're in the process of renewing the grant application for another year and the Port acts as the fiscal agent. She requested authorization for herself and Lisa to sign when the application is complete. It's a grant for the operations of the CDA. Lisa noted that we have increased rent and the administration fee with the idea that they would also administer the ODOT grant that's coming up.

Marv moved to authorize Eileen and Lisa to sign for the CDA grant. Jerry seconded the motion. John asked if the grant was for one year. It was responded yes; it is for one year. The motion passed unanimously.

VI. STAFF REPORTS

A. Project Updates

- SAGE Center Addition – Mark reported that plans are close to 90% complete. They have been selecting design options and should have something in the next few weeks. He commented that the structural needs work.
- B.U.I.L.D. – Mark reported that it has been back and forth with Union Pacific. We are fixing a few line items. Slow progress is being made. Bridge beams should be formed and poured in the next month on Marine Drive. Rick commented about the dirt work that's being done. Mark replied that it should be completed in roughly the next week or so. He added that we need to meet with MARAD on some changes that need to be made before we go out to bid.

B. Maintenance Update

- Tim explained the projects while Erika showed photos of progress of the BUILD Grant, SAGE Center projects, Industrial Way, Well 1, Boardman Foods new warehouse, Simplot construction, and irrigation upgrades at Marker 40 Golf Club. The bridge at the SAGE Center will be set on April 1 and construction on the new Tesla charging station will start soon. Panels will be raised at Well 1 the first week of April. Marker 40 Golf Club irrigation is an improvement from a 6" line to an 8" line.
- Jerry asked about the activity at Terminal 3 container dock. Tim reported that they are doing maintenance. They borrowed our boom truck from work on the crane and gear box.

C. Financial Update

Jason and Eileen presented the financial report. We have received some CREZ funds. Disbursements were down about \$1 to 1.5 million more than normal. Cash is up right now, but a good portion of that is general fund money. Eileen wanted the commission to be aware of additional costs for the wastewater segment. This includes bringing the digester online and the operating permit, increased testing fees for IRZ, the conceptual design, and an increase in electric use. A 19% increase in wastewater costs is anticipated in the coming fiscal year, excluding any fines. The commission discussed letting users know about costs as soon as possible so that it can be accounted for in their budget plans for the upcoming year. Brian Maag from Boardman Foods responded that early notice would be helpful for industries and noted that costs across the board have been increasing dramatically.

D. Usage Reports

The usage reports are available in the packet. John asked about the freezer warehouse report. Jason commented that we aren't above budget but that pallet costs have gone up.

However, revenue for the warehouse has also increased. Marcine confirmed that the pallet prices have doubled going from \$7 to \$16 and heat-treated pallets to \$17.

E. Other

Lisa said that there is an ODOT grant for \$7 million for road improvements. The legislature originally intended to split the grant evenly between Umatilla and Morrow counties, and the CDA made a motion as a board to split it evenly, but there have been recent conversations backtracking that motion and spending it all in Umatilla County. Marv asked about the fairness of that idea. Lisa responded with a summary of the engineering work the Port has done so far with planning transportation routes and options into the west side of the depot by engineering. Plans for a new interchange are in the \$11 million range. We met with the County Planning Office to discuss the process and plan, but there hasn't been a follow up. Lisa also provided a summary of plans in Umatilla County for a solar project in the SE section of the property. Rick responded that the Port would not support that change by the CDA. There was further discussion regarding Umatilla routes and funding availability from subsidies for green energy projects.

VII. OTHER REPORTS

A. Willow Creek Valley Economic Development Group / Heppner Chamber

Kim gave a report for WCVED – she thanked the commission for supporting the grant and efforts at the mill site. She reported that all three townhouse/duplexes recently built in Ione (1) and Heppner (2) have closed or are pending. Money from the sales will go back into WCVED. There's still working on funding for infrastructure, streets, and sidewalks at the new 22-acre subdivision in Heppner. She gave an update on the grants ongoing through the group and reported that the grants have been successful. Marv asked if there has been further talk on funding another residential project in Ione. Kim responded, yes, there has been a lot of discussion. The Board has committed to funding another duplex. The housing projects built so far have been successful.

JoAnna gave an overview of upcoming events for the Heppner Chamber. The annual St. Patty's Day festival is this coming weekend. She also talked about "Destination Development" on March 31 at 7 PM. It will discuss developing tourism in Morrow County post-COVID.

B. Boardman Chamber Update / BCDA

Torrie summarized upcoming events and referred the commission to a complete list in the packet. She highlighted the Chamber Awards banquet and auction happening this weekend on March 12. The Chamber Luncheon is in person on March 16. Another event is the Ryan Neal Memorial Scholarship Golf Tournament. The event is full and has been well-received. The Destination Development meeting will also be in Boardman April 18 with the same information covered.

For BCDA, they will be meeting for our budget soon. They will continue to focus on

broadband, they are adding a small business retail space. They will continue business and homebuyer's incentives as well as supporting education programs.

C. City Updates – None present

D. County Updates – None present

E. Other - None

VIII. EXECUTIVE DIRECTOR POSITION

Rick opened the discussion by saying Ryan's death was a big loss. He suggested we look internally first. We have qualified people that would be able to take on that role. We should accept letters of interest from interested parties, evaluate those through a process, and if we have someone who would be a good fit and offer them the position for a probationary period. If it doesn't work, then we should consider a national search. Jerry agreed we have qualified staff and that looking internally would be a good place to start. He commented that the Health District recruited internally. Marv echoed Rick and Jerry. John also agreed but noted that he would like to see letters and a formal process. Joe added his agreement, but added that he would like, in parallel, to have staff investigate what an external search would look like and what firms would be available to help with that search. John noted that it's a large step up from staff to CEO. Rick said that it's important to "grow our own".

Rick called for the Commission to set a due date for letters of interest. Letters of interest and a resume would be submitted directly to Rick. John and Marv agreed that before the next commission meeting would be good. John asked if it would be an open or executive session. Sam read the statute relevant to the question and replied that it could be held in executive session if policy requirements are met. There was further discussion regarding what the public or executive session requirements would be and the use of a committee instead. Sam recommended that the staff and Port attorney research what needs to be in place for meeting requirements regarding this matter.

Rick recommended that letters of interest and resumes be turned in by the 4th of April to himself. Brandy asked for clarification on if the position should be advertised internally and Rick responded yes. Sam will research the procedure and inform the Commission.

IX. FOR THE GOOD OF THE ORDER

There were no comments for the good of the order.

The regular meeting was recessed at 3:03 PM for a short break before opening the executive session.

X. UPCOMING EVENTS:

March 13-17th

PNWA – Mission to Washington D.C. (Virtual)

April 2		2-22 Ryan Neal Memorial Scholarship Golf Tournament
April 13	1:30 PM	POM Regular Commission Meeting
April 13		Boardman Foods Expansion Tour

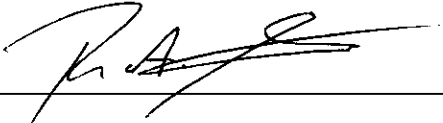
XI. EXECUTIVE SESSION

- A. For the Purpose of Consideration of Deliberations with the Port's Executive Director and Other Staff Members Who Have Been Designated by the Port to Negotiate Transactions Related to the Sale or Lease of Real Property – ORS 192.660 (2)(e)**

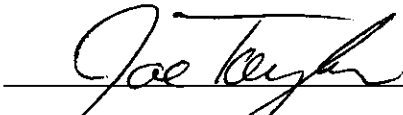
- B. For the Purpose of Consultation with Counsel Concerning the Legal Rights and Duties of a Public Body with Regard to Current Litigation or Litigation Likely to be Filed – ORS 192.660 (2)(h)**

The regular session reconvened at 4:22 PM. Rick announced that no decisions needed to be made, and the regular session was promptly closed at 4:22 PM.

Submitted by:



Rick Stokoe, Commission President



Joe Taylor, Commission Secretary