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Spring Planning Work Session

PRESENT: Commissioners: Ben Sheppard (arrived 1:53 p.m.), Kristi Chapman, Mike Fox, Heather Gehring, and Hoby Streich. **Legal Counsel:** Kristen Campbell, and Joanna Lyons-Antley. **Staff:** Kevin M. Greenwood, Genevieve Scholl, Daryl Stafford, Debbie Smith-Wagar, Greg Hagbery, John Mann, Ryan Klapprich, and Patty Rosas. **HNTB:** Micheal Shannon. **Budget Committee:** Judy Newman, John Benton, Larry Brown, Becca Sanders, and Brian Shortt (via Zoom). **Guests:** None

ABSENT: None

MEDIA: Noah Noteboom, Columbia Gorge News

- I. **WELCOME & INTRODUCTIONS:** Vice President Kristi Chapman called the meeting to order at 12:59 p.m. and welcomed everyone to the meeting. Kevin M. Greenwood, Executive Director, proceeded with introductions.
- II. **MEETING OVERVIEW:** Greenwood provided a brief overview of today's meeting. The purpose of the planning session is to prepare for the 2023-24 Fiscal Year Budget, and discuss issues related to the Port of Hood River's ("Port") long-term sustainability. Greenwood summarized the Brainstorming Session that took place in November 2022, and identified projects that have moved forward for consideration. Greenwood also briefly reviewed sustainability goals such as the procurement of financial software that will greatly improve Port operations, and pursuing projects that will generate positive net income for the Port.
- III. **CURRENT FINANCIAL OVERVIEW:** Debbie Smith-Wagar, Finance Director, noted that the Port in the past has used a 10-year financial model to estimate future revenues and expenses to aid in long-term planning. The model for the current year has been modified to focus on individual business centers and help identify areas of opportunity for accelerated achievement of Commission goals. Smith-Wagar presented the financial reports. Some typos and errors were identified, but Smith-Wagar assured everyone that the summary report was accurate. Smith-Wagar commented that getting operations to where revenues cover their expenditures without toll revenue, is an achievable goal for most areas. The main concern is how the Port will pay for its capital needs in the future.

Smith-Wagar noted that recreation is almost always supported by property taxes, and although the Port receives approximately \$90,000 per year in property taxes, expenditures for the Event Site alone ranges from \$200,000-\$300,000 per year. Smith-Wagar added that the Port must focus on these areas and determine how to move forward and consider all options. Smith-Wagar commented that while the Port must divest from bridge toll revenues, the tolls are a fixed dollar amount and do not escalate unless there is more bridge traffic. This is another factor that must be considered, especially in operations where costs increase every year. A discussion followed regarding the bridge toll increase.

Commissioner Mike Fox referenced the summary report and inquired on whether the Rate of Return (RoR) was included in the industrial property investments. Smith-Wagar replied that the lease revenue was not included because there were too many unknowns. Greg Hagbery, Project Manager, noted that there is a Market Analysis underway that will allow for greater strategic decision making for each facility. Commissioner Fox highlighted the importance of including the RoR in their finance discussions and added that there should be a policy where Port investments include an expected RoR. Genevieve Scholl, Deputy Executive Director, asked if the RoR policy would encompass all investments or be specific to each property. Commissioner Fox replied that it should start off as a global RoR policy.

IV. LONG-TERM FISCAL SUSTAINABILITY: Greenwood noted that there are steps and processes that need to be instilled to work towards the Ports sustainability. These processes include a resolution Divesting from Tolls, an Annual Fee, Charges and Rates resolution, Capital Improvement List (CIL), and a Metrics and Management Process that staff will be evaluating to determine the ports sustainability moving forward. The resolution Divesting from Tolls will utilize tolls solely for bridge-related activities. A discussion ensued regarding the policy. The Annual Fees, Charges and Rates resolution will be a helpful process to review revenue generation comprehensively. Greenwood noted that staff has not identified potential fees for next year, but they will be refining the rates in the coming months and will make a final recommendation. The CIL shows all the capital or grant funded projects that are anticipated in the coming year and will allow for easy monitoring of capital projects. Commissioner Fox suggested including the Fair Market Value for each item for comparison on the CIL. Commissioner Ben Sheppard noted that the CIL does not include any items that tie back to the directives that were given to staff at Fall Planning. Greenwood will review the CIL and make sure that those items are included. Commissioner Fox suggested that the CIL should also note which projects generate revenue, and maintenance projects should be their own category.

V. KEY ISSUES FOR FY 2023-24:

- a. **Marina** – Daryl Stafford, Waterfront Manager, noted that staff has been working diligently to make the Marina the best they can with the funds available, but also considering the Commission’s directive to divest from bridge toll revenues. Stafford commented that facilities has taken on more work that has allowed the Port to save money by not having to contract out, but this may no longer be possible due to the shortage in facility staff.

Stafford noted that in November 2021 there was direction from the Commission to move forward with a 10% moorage increase for 3-years starting in January 2022. Stafford requested direction from the Commission on whether to continue with the 10% rate increase. Commission consensus was to proceed with the rate increase unless the rate survey indicated otherwise. Stafford also requested direction on whether to continue with the annual placeholder of \$40,000 for professional repairs. No decision was reached by the Commission and a discussion followed regarding the Marina boathouses and boat slips.

- b. **Airport** – Hagbery reported that per Commission direction the Port must develop a strategy to create additional revenue streams, while reducing overhead and waste at the airport. Staff has already started working on this goal by issuing a Request for Development Interest (RFDI). Hagbery added that this is an opportunity for greater utilization of North Apron. The Port also has an opportunity to utilize Bipartisan Infrastructure Law (BIL) funding to partially invest in constructing a new T-Hangar block on South Apron. Another strategy that is being considered is renewable energy. Staff has been working with Mid-Columbia Economic Development District (MCEDD) and Solarize Hood River to bring solar capability to the airport. This could be an opportunity to offset current electrical costs for the airport or create revenue by the development of a solar array that can sell power to other users.
- c. **Waterfront Recreation** – Greenwood emphasized that all departments and assets at the Port are managed as a team and added that the Waterfront and Event Site is not just Stafford’s issue, and that staff is there to help and support her. Greenwood turned to Stafford for a Waterfront recreation overview. Stafford noted that operations are a significant part of the success at the Waterfront and emphasized the importance of being fully staffed to prevent reduction in services. Stafford reviewed some of the proposed actions for the coming year which include raised fees,

transitioning to Text-To-Pay for parking, and adding the Hook as a paid parking area. Commissioner Fox inquired on how staff plans to manage the deficits of the waterfront and suggested working with Parks and Recreation for a solution or consider adding admission fees. Stafford replied that they need to work on their master plan, but the future of the Waterfront will depend on what happens with Lot 1 and the Maritime property. Stafford posed the question of whether the Port would like to keep assets that are not performing. Commissioner Fox commented that actions need to be taken to lead up to that recommendation. Commissioner Chapman commented that the County of Hood River is working on a possible new taxing entity that the Port could potentially benefit from, and suggested that the Port should work closely with the County and Parks & Recreation on the Waterfront issue.

- **Paid Parking System Changes:** Scholl commented that the current parking kiosk system is not well suited for the Waterfront environment and the hardware is expensive to maintain. Staff recommends transitioning to mobile payments via Text-To-Pay and mobile payment applications that would significantly reduce costs for the Port. Staff also recommends terminating trucking company parking agreements in Zone 6 and allow passenger vehicles in that Zone seven days a week. This will provide more parking for visitors near the Hook. Scholl noted that the Commission should also consider extending the paid parking Zone to include the Hook, Spit, Marina Beach, and Marina. If the Commission chooses to charge for parking at the Marina, the Port will lose eligibility for an annual maintenance grant from OSMB for approximately \$6,000 per year.

Staff also recommends that the Commission consider increasing rates and fees for parking and violations. Scholl noted that last year there was an issue where parking tickets not expensive enough to deter violations and were essentially treated as a day pass cost by some customers. Scholl added that daily parking rates should not exceed \$15 per day, as that is the apparent limit for recreational immunity. Staff would also like to change the payment processing for parking tickets to allow for customers to pay their tickets at the Port office instead of utilizing Professional Accounts Management ("PAM") to process payments. Scholl added that the Commission should also discuss whether the seasonal staffing of the Event Site parking booth should continue. A discussion ensued regarding the Event Site annual passes. Commissioner Chapman suggested linking the annual passes to a specific vehicle so that they are not transferable. There was consensus from the Commission to move forward with a resolution of all Waterfront recommendations for Commission approval.

- d. **Developable Land** – Hagbery reported that one proposal was received for the development of Lot 1, and a recommendation will be provided to the Commission at the next meeting. A market analysis is also underway at Lower Mill, the report is expected to be completed in approximately 3 months. Commissioner Sheppard expressed his concern that the Lot 1 design may not meet Oregon Department of Transportation (ODOT) requirements, and requested that this be researched further. The Commission directed staff to follow up with ODOT on any potential updates or changes to their traffic requirements, as well as updating the Interchange Area Management Plan (IAMP). A discussion ensued regarding the development of Lot 1.
- e. **Existing Buildings** – Hagbery noted that the light industrial assets are doing better than the commercial properties. Marina #2 is a commercial building that is leased to the Department of Motor Vehicles (DMV) that is underperforming. Their lease will be expiring soon, giving the Port an opportunity to restructure their lease. Marina #1 is another commercial building that is

underperforming. A portion of the Marina #1 building is unleased and is being considered as a potential new location for the Port office. A discussion followed regarding the possibility of development at the Marina.

- f. **Existing Bridge** – John Mann, Facilities Director, presented a list of projects recommended by the engineers that should not be pushed out on the bridge Capital Improvement Plan (CIP). Some of the items on the list include maintenance painting, scour evaluations, and rehab live loads. Commissioner Fox suggested decommissioning the lift span early to avoid some additional maintenance costs and requested that staff research if this is at all feasible.
- g. **Bridge Replacement** – Michael Shannon, HNTB Project Manager, reported that the Replacement Bridge Management Contract (RBMC) will end on June 30, 2023. The RBMC will be working with the Bi-State Working Group (BSWG) and Staff to develop a 3-year work plan and budget. Funding for the 3-year work plan will come from existing and future grant funding on the project. Shannon provided a brief update on current funding for the bridge replacement project.
- h. **Administration and Central Services**
 - **Staffing for Adequate Service Levels:** Scholl noted that the Port is experiencing a critical need for staff, specifically in the facilities department. Scholl presented recommendations to the Commission that will help with employee recruitment and retention. The first recommendation is to implement an increase in wage levels for non-management staff in all departments. The increase would address competitive wages within the private sector.

Another recommendation is to implement and incentivize career-track professional development and skills training programs for all positions. Staff also recommends improving paid time off policies and consider offering 4-day work week options, as well as adding 3 federally recognized holidays that are currently not observed at the Port. Commuter benefits or assistance should also be considered. Of the 32 current Port employees, 50% live outside of Hood River, with an average 30-mile daily commute to and from work.

Staff also suggests enhancing recruitment outreach activities to area high schools and colleges, as well as offering hiring bonus options. Hiring bonuses are currently not allowed for government entities, but there is legislation currently pending that would allow government employers to provide bonuses. The Port should also improve and ensure hiring opportunities in the Spanish-speaking community.

The Commission should also consider moving towards automation during off-peak hours at the toll booth between 10 p.m. and 6 a.m. This action would bring the required staffing levels to the current level and avoid the need to recruit graveyard shift workers. Staff has already scheduled for a two-month pilot project starting May 1 if the Commission approves.

Finally, staff recommends including some public safety, parking enforcement, and building security response duties in a potential contract with an outside security services firm. This would help alleviate the need to recruit and hire parking enforcement personnel.

Commissioner Fox likes the idea of increasing education for Port employees, and would like to see wages based on performance. Commissioner Fox also believes that increasing wages is not always the answer, and creating a fun, challenging, and rewarding work environment


could help retain employees. Commission consensus was for staff to present a proposal of all proposed staffing recommendations.

- **Financial Software Procurement for Proper Allocation:** Smith-Wagar noted that the new proposed financial software will include more online options such as customers paying online. Larry Brown, Budget Committee, inquired on the time frame to implement the new software. Smith-Wagar replied that it would take approximately 1 year.

VI. Other: None

The meeting was adjourned at 4:45 p.m.

SIGNED:


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Ben Sheppard, President

ATTESTED:


A handwritten signature in black ink, appearing to read 'Michael Fox', is written over a horizontal line.

Michael Fox, Secretary

