

Port of Umpqua

Regular Meeting Minutes
Wednesday, January 18, 2012 at 7 p.m.
Port of Umpqua Office
364 N. 4th Street
Reedsport, OR

THESE MINUTES ARE FINAL and APPROVED.

Commissioners Present:

President Steve Reese
Vice President Keith Tymchuk
Secretary Barry Nelson
Treasurer VACANT
Asst. Secretary Donna Train

Port Staff Present:

Port Attorney Dave Anderson
Port Manager Charmaine Vitek
Administrative Assistant Karen Halstead

Proceedings:

The meeting was called to order at 7 p.m. by President Steve Reese.

APPROVAL OF AGENDA:

Charmaine requested to add an 8th item to the agenda, it is an emergency plumbing issue at the Port building, 364 N. 4th that just came up. With that addition Commissioner Tymchuk made a motion, 2nd by Commissioner Train to approve the agenda as amended. Motion passed by unanimous vote.

APPROVAL OF MINUTES:

The draft version of the minutes for December 21, 2011 was presented for approval.

Commissioner Nelson made a motion, 2nd by Commissioner Tymchuk to approve the minutes as presented. Motion passed by unanimous vote.

APPROVAL OF BILLS:

Commissioner questions regarding bills:

Commissioner Nelson questioned check #3119 to Central Lincoln PUD that included a \$120 charge for the power to the light on the Umpqua River Dock. He said he didn't understand why we would be responsible for that light, when it's at Fred Wahl shipyard. Port Manager Vitek explained that we have always paid that power bill, because that is on the Port's dock. It was bought with public funds, therefore it's a public dock, and the management agreement from the initial purchase of it states that we are responsible for the utilities and maintenance.

There were no further questions.

Commissioner Train moved to approve payment of checks in the amount of **\$16,440.10** to be paid out of the General Fund, 2nd by Commissioner Tymchuk. Motion passed by unanimous vote.

PUBLIC COMMENT:

There was none.

For the record, Steve welcomed Dave back.

Also Charmaine asked to note that there were several handouts that had been added to the meeting info. She said they should be in order as they appear on the agenda.

REGULAR BUSINESS:

1. Pacific Coast Congress of Harbor Masters and Port Managers Annual dues

This is the annual fee to the PCC which Charmaine noted we utilize a lot. With that said, Commissioner Nelson made a motion to pay the annual membership dues to Pacific Coast Congress of Harbormasters and Port Managers in the amount of \$175.00 for the 2012 calendar year to be paid from the General Fund. Commissioner Tymchuk 2nd the motion. Motion passed by unanimous vote.

2. STEP Annual Dues

Commissioner Tymchuk made a motion to approve the annual sponsor membership dues to the Gardiner-Reedsport-Winchester Bay Salmon Trout Enhancement Program in the amount of \$100.00 for 2012. He added it's a great program, and they do great work. Commissioner Nelson 2nd the motion. Motion passed by unanimous vote.

3. City of Reedsport Downtown plan Representative

Charmaine said that Planning Director, Melissa Anderson with the City of Reedsport contacted her requesting that a Port representative be appointed to sit on the Waterfront and Downtown Advisory Committee. She mentioned that she would prefer the person be an elected representative if possible. Charmaine said she had sat on the last two committees.

Donna said they had already contacted her to sit on the committee, but did not request this as her being a Port Rep. Donna said she agreed to be on the committee.

There was some discussion as to whether Donna could represent the Port and as a citizen at large. She noted that on the Urban Renewal she is on the committee as a citizen at large, and Charmaine is on there as a Port Rep.

Steve asked how often they planned to meet. The request said 3 to 4 times over the course of 6 months.

Steve volunteered to stand as the Port Rep. Commissioner Tymchuk then made the motion to appoint Steve to represent the Port on the Waterfront and Downtown Plan Advisory Committee as requested by the city of Reedsport. Commissioner Train 2nd the motion, motion passed by unanimous vote.

4. Maintenance repairs to Port Dock Umpqua River

It was brought to Charmaine's attention that the Umpqua River dock located at Fred Wahl Marine is in need of some repairs. Charmaine handed out pictures that had been taken of the area needing repair. She explained that the requested repair would require a diver to go underwater, locate the cable and bring it back up to the surface where it belongs, and then they would need to replace logs that were being damaged. A quote for this repair work was provided by Fred Wahl Marine for an amount not to exceed \$7,500.

Commissioner Nelson questioned why the port would be responsible for that work when this is a section of dock that Fred Wahl uses as part of their business.

Keith said because it's our dock, and we are responsible for its maintenance. Barry said it didn't seem right, since we do not charge Fred Wahl for using the dock. He asked what the intention of the original agreement was, adding that there is no money coming in from Fred Wahl for his use of that dock.

Keith said that part of the agreement was for Fred Wahl to collect all of the moorage fees. They keep 10% and then we get the rest.

Barry said he understood that, but his question is why when they are actually using the dock as a part of their business and he thinks that somewhere along the way they should take part of the responsibility for the cost of repairs and maintenance.

Keith said that was something that could be considered for the future, but the fact is that is not part of the existing agreement.

Dave added that the source of the loan to build the dock and later to refurbish the dock indicated that The Port had to retain sole ownership and could not lease it out. The

only mechanism we could use, as we were instructed by the federal agency, was that we could have Fred Wahl Marine act as the “dock manager” and coordinate the collection of fees for vessels tying up and berthing at that dock, but it had to be kept in public domain and could not be exclusive or leased to a private entity. That means we are responsible for the maintenance of the dock, unless you can prove gross or wanton negligence in the way they operate on that particular dock.

Keith added that The Port also had to maintain a dock reserve fund as well. Barry asked if it struck anyone else as a strange arrangement. He said this is a business that is being allowed to use something in their business workings for free, and they aren’t even responsible for any of the maintenance costs. Dave said if somebody else came along and wanted to use a portion of the dock they would have every right to do so. There is no exclusivity in who is or is not allowed to use the dock. It just so happens that Fred Wahl is the only folks with an operation there. If somebody else wanted to tie up that dock, and have an operator bring equipment out there and do certain things to a vessel, they would have every right to do so. Nobody else has made that request.

Dave also pointed out that the dock was created when The Port owned the shipyard. The Port sold that shipyard and because of these regulations could not sell that dock.

It has been brought up several times over the years to revisit the dock management agreement, and take a look at the fee schedule to determine whether it was appropriate or not, and the commission came back each time and decided that the fees were appropriate.

Charmaine said she understood where Barry was coming from but that she was grateful to have Fred Wahl Marine and his crew watching out for the dock, because if it deteriorates and we don’t know about it we would possibly have to hire engineers to come in and figure out what needs to be done. Then the costs would be high, paying for both the engineers and the maintenance.

Steve said it was a minor point, but that dock is serving our mission statement for economic development. It is providing a means of employment.

Dave said the city has a very similar issue with the Discovery Center property. Because it was built with federal funds, the city is responsible for maintenance, repairs and everything else that goes along with that building.

Donna said that because the business is at the dock we have been able to bring in about \$26,000 in moorage fees over that last three years, which goes into the dock reserve fund.

Steve then asked Dave if this is something that The Port would need to get bids for. Dave asked if we had an expectation of what the cost was going to be. Charmaine said it was estimated to cost \$7,300 which would include 4 hours of dive labor at

\$200/hour, 20 hours of crane labor at \$85/hour and 80 hours of skilled labor at \$60/hour. Dave said no, that The Port could get requests for proposals, but it would not have to go out for bid.

Keith asked if they should do an RFP or just make a motion to approve the repair as quoted by Fred Wahl Marine. Dave said they could do an RFP but if the commission believed that Fred Wahl Marine Construction would save them money because they are located right there, there would be no staging fees or removal fees and their past history in relationship to repairs that The Port has had them do to the dock have always been very reasonable. The Port can proceed with allowing them to go ahead if they deem that it would be a savings The Port in doing so.

Commissioner Tymchuk made a motion to approve repair of the Umpqua River Dock by Fred Wahl Marine Construction for the amount not to exceed \$7,500 to be paid from the Dock Reserve Fund. Commissioner Nelson 2nd the motion. The motion passed by unanimous vote.

5. Vacant Commissioner Position

Charmaine said when Commissioner Williams tendered her resignation in December it was suggested at last month's meeting to deal with it after the first of the year. She had provided the commission with the ORS that deals with vacant commissioner positions and she gave some history on how it was handled when a vacant position had come up in the past. She said this position would be on the ballot for the 2013 election which would then take effect in July 1, 2013. It is okay for the commissioners to appoint someone, or they could leave it vacant until the next election.

Steve said he felt it would be nice to have a full commission and requested that they table the topic for another month to think about their options. Keith said he'd like to see it filled before the next election, but unless there would be quorum issues, he didn't feel there was a reason to be in a hurry.

That was what was decided, the commission will re-address this at the next regular meeting in February.

6. Port Attorney

A committee has been formed as was suggested at a previous meeting; the committee consists of Commissioner Train, Commissioner Nelson and the Port Manager. They had a chance to speak with Jim Bruce on the phone. They decided that it was important to have Dave be a part the decision making process.

Dave said that the commission is not required to go out for bid, nor are they required to do an RFP for a Port Attorney because it is a professional service. The idea of having contacted Jim Bruce and considering an RFP was for the purpose of finding out who out there feels that they may be interested and that would form a pool for the

commission to then interview and find out how much governmental law experience the candidates have, if any.

There are a number of ways to go. If the commission determined that there was someone or a couple of attorneys or even a group that fit the bill for The Port they could be hired straight out after some due diligence is done through interviews and discussions regarding their fees.

He said first they want to pick the procedure that they want to follow, and Dave said he would be happy to be involved and offer some direction and insight. He did say that the expectation of finding an attorney that will be present at every meeting and on a monthly retainer is a dinosaur of an idea. Because attorney hourly rates are probably going to start at \$225/hour, they will need to choose wisely how they are going to use the attorney. Due to budget limitations that all governmental groups face an on retainer attorney is really a thing of the past.

There are several resources that include Special Districts, and other possible sources will provide free assistance, they could then use a port attorney in situations where there are specific legal situations that would require an attorney be involved.

A number of things will need to be looked at in order to develop the scope of the job, first of all there is the decision of what The Port can afford. You'll also need to decide if you do want that person to come to a regular meeting, how will they charge? There may be a travel fee which would be different than their hourly rate. They will also charge for phone consultations, letters that need to be written and things of that nature. It is going to be a spectrum that is totally different than the situation the Port has had for the last 32 years.

The other reality for The Port to think about is the fact that whoever is selected is going to be located out of town.

Dave added that he felt that the commission was approaching this correctly by having a committee. The importance of the committee is that they will form a good working mechanism so it won't have to be dealt with in a public meeting setting.

Steve said he wasn't aware that Special Districts would provide legal help. Charmaine said it's part of the "best practices" that is in relation to the insurance. Some of the items that they will give you points for is to have legal counsel review all leases, all contracts and certain other things they want legal counsel to do, and if you don't have legal counsel they want you to let them look at it. They don't provide legal counsel per say like to be your lawyer, but there are certain things they can do, plus we have 8 hours a year of consulting benefits, and some of those consultants can be lawyers. Dave added that they are an alternative. Some of the questions that are asked of Dave could be answered by Special Districts. Charmaine has used them in the past and that would continue to help keep the legal costs down. Instead of calling an attorney about

a question, she can call Special Districts and in most instances they can provide some kind of an answer or assistance, or they can suggest someone else that may be able to offer an answer. Charmaine said they are especially helpful when it comes to procedural matters.

Barry asked what they thought about having access and using a county attorney. Charmaine recommended that the committee reconvene and this time, include Dave and move forward with that option if it does come available. Dave added it was an interesting concept, there are pluses and minuses.

There was a consensus that the committee including Dave continue to meet and move forward.

7. Winchester Avenue Buildings

We will start moving some things tomorrow with the official move set for Friday when the phones will be moved. The windows have been cleaned on the Winchester Buildings inside and out. They look a lot better.

In September or October Charmaine had reported on a broken window that was found by Randy Schaffer when he was fixing the doors. It was originally thought to be a small crack in the front, but it's not. It's a main window where the Marketron folks are at, and it's cracked right down the middle. Randy had given a quote for \$994.25. It needs to be fixed.

Barry asked if further down the line, if one of those windows gets broke, the insurance would cover that. Charmaine said she didn't know, but would look that information up. It would be after the deductible if it did cover it.

Commissioner Tymchuk made a motion to approve the repair of the broken front window by Siuslaw Glass and Mirror for \$994.25 to be paid from the General fund. Commissioner Train 2nd the motion. The motion passed by unanimous vote.

Next topic was the fire alarms. Charmaine reported that Chris Lyman from the Deputy Fire Marshall's office has re-inspected the buildings after the corrections were made, and other than a couple of signs that need to be posted, all of the items are done. They did discuss the options for the existing fire alarm system. At one of the meetings it had been discussed to simply not use it, but his recommendation was that the system in there is a really good high quality system and even though it's not required for those buildings, it would be beneficial as well as a good resale point if The Port ever chooses to sell.

It can be kept as it is, it will just need to be tested and certified and then certified annually after that.

Two companies have given quotes for this. Performance Systems Integration out of Portland quoted \$1,000, and Cascade Special Systems out of Ashland quoted \$600. Cascade also offered to monitor the system for security and fire, at a cost of \$30/month. They also offered to discount \$200 off of the \$600 quote.

Charmaine said she recommended that they not go with the monitoring, and if the commission chose to stay with the alarm system, that they go with the \$600 quote from Cascade.

Steve said he would like to see it just sit for now until there are more tenants added, to get more income from the property before more expenses are made.

Charmaine said she thought if it wasn't used it may have to be removed, she would check into that. This item was tabled until next month.

Charmaine was finally able to make contact with Florence Heating & Sheet Metal. She noted that the electric bill for that building is astronomical and when she went in recently she found that all of the thermostats were set at 85 degrees. She turned all of them down, plus there are a couple of thermostats that need to be replaced. Part of the recommendation from Florence Heating was to install the thermostats that will only go to a certain limit. She said she wasn't asking for a motion at this point, she just wanted the commission to be aware that she was working on it, and it will be coming in the future before the commission for a motion to get the heat pumps operational and up to speed.

Steve asked if the thermostats could be locked, and Charmaine said there are six of them. The thermostats in the Port area and in the area referred to as the D area can be locked. She didn't think the others could be locked.

The next item was storage and shelving. Charmaine said it was her opinion that shelving would be needed. There are three really nice storage areas that have doors that lock, but there is no where to put boxes. Ron Kaufmann gave a quote to do this.

Steve asked about the size of the shelving needed. Charmaine said as you're going out to the courtyard there are storage rooms on both the left and the right. The room on the left is larger, and this is where she is looking to put shelving.

Steve said another option would be to get the industrial strength storage shelves; they would be more portable than something that was custom built and attached to the wall. Charmaine said she would look into that and get back to the commission.

The last item for discussion was the Training Center building. It's been suggested first of all that the name be changed. Charmaine also asked if they were ready to look into getting the flooring done and get that building ready for use.

Keith asked what was in there now; it's an industrial carpet that is in need of replacing. Charmaine pointed out that if commission plans on using it for meetings, and puts the meeting table and items in there, it would make sense to get the carpet replaced before moving any furniture in.

She said she hasn't done any pricing so far, she wanted to get direction from the commission before she started.

Steve said he felt they needed to look at the building to get an idea of what their plans are for it, before doing anything.

Keith asked to get some pricing and idea options for the flooring, including part carpet and part tile. Charmaine said her preference would be linoleum or something like that that would be easy to keep clean.

It was decided to table the issue until a later date.

8. Plumbing Emergency

The toilets at 364 N. 4th Street have backed up again. About 2 ½ years ago this same thing happened. Dick Young has been contacted and he is going to need to find the sewer line, and then he would like to put a clean out in, which should have been done the last time this problem came up. Once that is done, he will try to clean out from there. If that works, he estimates it will cost about \$300. This is going to depend on how deep the backup is, and where it is in the line. If he finds that the clean out doesn't work then he might have to go all the way to the city main line. If that is the case, he doesn't know what it will cost. This is an emergency, and needs to be fixed now.

Keith confirmed that the \$300 is just for putting in the clean out. Again, this is an estimated cost; it will depend on some variables as mentioned.

Keith said that falls under building maintenance, and it has to be fixed. Steve confirmed it is an emergency and has to be done.

REPORTS:

PORT MANAGER'S REPORT:

Dock Report:

The Port Commercial Dock in Winchester Bay Brought in \$991.00 for the Month of December.

Starting budget process, expect calendar and to give available dates. Probably won't have a work session this time. The last two years have gone smooth so it doesn't seem like that will be needed.

Dredging update: Harbor Maintenance Trust Fund: Ramp Act. A Coalition of congressmen supporting use of the HMTF for operation and maintenance of Federal port and waterways. The handout talks about the effort to utilize these funds for ports as opposed to other uses that have been suggested.

The letters from the Oregon Coastal Caucus and Congressmen DeFazio requesting part of the un-Allotted 30mil 'pot' of monies the Corps was appropriated for all of the port projects that were zeroed out of the president's budget. Ray Bucheger and Peter Friedmann's firm has been working diligently along with PNWA for us, the Port of Port Orford and the Port of Garibaldi, all of which were zeroed out. We were requested to write a letter to the Assistant Sec of the Army Civil Works making out case of economic need which you will find in your packet.

Steve commented that the letter Charmaine wrote to the Army Civil Works was excellent.

Side note: Charmaine said she is very impressed with Peter Friedmann and Ray Bucheger and PNWA. They have really been on the ball with all of the meetings they really are pushing hard in our favor.

IGA appendices from Dave Harlan: I am not going to go into this tonight but please take this with you and review it for next month's meeting. It is from the Port of Tillamook Bay and will give us an idea of what we will be looking at. Dave Harlan of OBDD says: "I need to take another look at our checklist review of your plan to make sure we're covering all of the items identified for the IGA. You and I need to talk about commission governances and training. We also need to talk about projects identified in your plan so we can plug those into item 4 of Appendix A, and flesh out item 6 as well."

SALMON HARBOR MANAGER:

Jeff was not able to attend the meeting due to a family situation, so he had passed along some notes for Charmaine to share.

There has been no significant storm damage to the marina. On January 12th he sent a letter to all moorage customers on Dock 8 notifying them of dock repairs that are scheduled to begin March 5, 2012. All vessels must be moved from the dock by March 4.

County representative Jim Bruce is now working as the interim human resources director for Douglas County.

COMMISSIONERS:

Keith got an e-mail today that Chris Claflin is going to be touring a representative from a Bio-Mass company who will be looking at the IP site as a potential place to do some industrial development. This is going to happen this Friday at 3 p.m.

Keith said he brought this up because he and Steve have been active in trying to setup another meeting with our state legislators with the goal of strategizing on the IP Site, as was done a year ago. The goal is not to let whatever momentum that was established in the past be lost. Keith feels that Senator Verger sees this as a very important goal for herself before her last term is over.

Setting this up is proving to be a little more difficult than last time, due to conflicting schedules. Originally they had talked about the 25th, but that didn't work out. They may end up meeting in a couple of stages, one meeting attended by everyone except Arnie, and then Keith will meet with Arnie and try to keep that ball rolling.

Keith added he wants to make sure that everyone understands that his personal feeling is that the efforts by The Port of Gardiner PC are certainly not helping the cause. There has been some frustration over this from a variety of levels. There have been e-mails that say IP has not negotiated with them to do any marketing of the property; IP still has the same gentleman serving as their realtor. Keith said he thinks that there are potentially some legal concerns about how they have misrepresented themselves and the property. Steve added that that should be between the State and IP. Keith concluded that there is lots of interest that the marketing is done right for that area out there, and the goal of all the meetings is job creation, and that any development out there is industrial.

PORT ATTORNEY:

Dave said he thought that if there was any governmental body that would have the right to ask for an investigation the Port of Umpqua would be the logical source. We can't have another port district within our boundaries. It might be something that could be generated as a request or an investigation by the Port of Umpqua. Port of Gardiner is an entity that is holding itself out to be a Port District, which is infringing

upon the Port of Umpqua's district, and we should ask that the Attorney General's office look into the matter.

Steve asked if that letter would go to the Attorney General or Governor, in which Dave replied it would go to the Attorney General's office.

Keith asked if the others had seen some of the material from the Port of Gardiner's website. Charmaine said she had, and that there had been a request that they remove the website, but from what she had heard, they still have a facebook account. She added that she also knew that the Attorney General and the Governor had been involved, but to what extent she wasn't sure.

Dave said until there was actually some type of request from a governmental entity which would be The Port, he wasn't sure that the state would look into it, but once there is a complaint by the Port of Umpqua district, then they have a governmental special district of the state asking them to do an investigation and they would have to go forward and do it.

Dave said if Charmaine would craft a letter, he would review it with her. The state is already aware of the existence of the Port of Gardiner, so we would let them know that The Port of Umpqua district feels there is a misrepresentation there that is creating an incorrect image of the entity, and that it's an infringement of the rights of the Port of Umpqua and it's district, and we are seeking an investigation into the legality of the formation of the Port of Gardiner, and request that they look into the matter further.

Charmaine asked if it would be appropriate for her to contact the Attorney General's office and ask them if there has already been a complaint. Dave said yes, but then the next question would be what if the Port of Umpqua was to make a formal request in writing. You could ask how they would respond and react to that type of request.

Keith said his concerns were purely economic development. He is afraid that in the way they have misrepresented themselves in a variety of areas, especially as a port district, that any potential development that might happen out there will end up being scared off by them. Charmaine said that has been her concern and she has shared that with many she has spoken to.

Steve said the commission was giving Charmaine direction to come up with that letter.

The meeting was then adjourned at 8:04 p.m.

The next Port of Umpqua Regular Meeting will be held February 15, 2012 at 7:00 p.m. at the Port of Umpqua building, 364 N Fourth Street, Reedsport, Oregon 97467.

Steve Reese, President

Karen Halstead, Admin. Assistant