

Port of Umpqua

Regular Meeting Minutes
Wednesday, June 20, 2012 at 7 p.m.
Port of Umpqua Annex
1841 Winchester Ave
Reedsport, OR

THESE MINUTES ARE FINAL and APPROVED.

Commissioners Present:

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

Commissioners Not Present:

Vice President Keith Tymchuk

Port Staff Present:

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:

There was a request to add a ninth item to the agenda – Consider the Marketron Lease Extension.

APPROVAL OF MINUTES:

The draft version of the minutes for May 16, 2012 was presented for approval.

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

APPROVAL OF BILLS:

Commissioner questions regarding bills:

While signing the checks Commissioner Train asked if the check to Ron Kauffmann is the last to be sent to for the recent renovations he had done, Charmaine said yes.

Commissioner Reese asked what the check to Southwest Publishing was for, and this was for advertising in the paper regarding the vacant commissioner position.

Commissioner Train moved to approve payment of checks in the amount of **\$5,590.99** to be paid out of the General Fund, 2nd by Commissioner Nelson. Motion passed by unanimous vote.

PUBLIC COMMENT:

There was none.

REGULAR BUSINESS:

1. Workers' Compensation Insurance Renewal – Debbie McKinney of Fullhart

Debbie McKinney had brought two proposals for the commission to review. One was from Special Districts and the other was from SAIF. Based on the fact that the SAIF proposal was the higher of the two, it was her recommendation that the port stay with Special Districts for their workers comp. insurance.

She did point out that both companies had rate increases, and clarified that these increases had nothing to do with the Port's track record for claims, but were based on the statewide experience.

Steve questioned the wording on the SAIF proposal that mentioned volunteer commissioners at so many hours per quarter at \$288 dollars. SAIF does charge a certain amount per quarter per commissioner, and that is why their rate is higher. Special Districts has a charge for commissioners but it is not nearly as much as SAIF. There is also a discount by going with Special Districts because we can combine the workers compensation with the Port's commercial insurance.

Steve also questioned how terrorism can affect workers compensation insurance rates. It all goes back to 9/11, there were a lot of people that were on the job that day, and there were a lot of claims for that incident which was a terrorism situation. Because of the costs involved, all insurance companies are adding terrorism costs into their policies.

Commissioner Nelson then made a motion to approve workers compensation renewal for the 2012-2013 fiscal years with Special Districts of Oregon in the amount of \$1,443.29. Commissioner Train 2nd the motion. The motion passed by unanimous vote.

2. Elise Hamner: Port of Coos Bay Update

Charmaine introduced Elise Hamner who was there representing the Port of Coos Bay. She had brought a power point presentation about the Port of Coos Bay that covered their origination, history, their mission statement, current projects and future plans.

After the presentation she asked if there were any questions. Commissioner Train asked if the fertilizers and coal would be enclosed when it was shipped via the trains. Elise agreed it is certainly a concern. At this point coal cars are not covered, they use a polymer that they mix with water at the mine site and then spray that over the top. This method has been proven to be from 83 to 92% effective in reducing any dust. Currently there are three companies in the U.S. that are working on prototypes of what is called a “coal cap”. These are covers that would be placed over the coal rail cars. Some of them are testing the prototypes this year. If the Coos Bay project were to go through, by the time it’s permitted and an actual facility went into operation it would be around 2017, so the hope is that the technology is advanced by the time they would need to put it in place.

The commissioners then thanked Elise for the great presentation.

3. Information Technology Services proposal – Oregon Coast Technology

Charmaine introduced Shannon Sheets and Curt Abbot from Oregon Coast Technology; they were there to provide a presentation on what they offer, and to give the commissioners a chance to have any questions they may have answered.

Curt started by saying that they are familiar with special districts, he is currently on the Central Lincoln PUD board, and they also are servicing the Port of Newport, Port of Toledo and will soon be working with the Port of Siuslaw.

Their company is unique in the fact that they don’t wait for issues to happen, but instead work with a proactive approach. They make sure they know how the system is setup to run, and then by closely monitoring this system they can see issues early and then fix them before they become a disaster. They call this their Manage Technology Solutions Program.

At the base of all this is high security. They work with their companies to make sure they have stronger and better secure systems.

Curt went on to discuss the details of their system, and services available.

There were three proposals that they were presenting to the commission. One was for off-site backup, another was for tenant IT management and coordination of the communications closet, and the third was for the reconfiguration of the Port office network.

Shannon was the IT person that installed the wifi for the annex, and it has been functioning very well.

Steve said he really didn't have any questions since the presentation covered all he wanted to know. He did agree that these were all services that the Port is very much in need of. It is not a mandate, but it's important that we have better security than we do now and he felt this was a very efficient way to proceed.

Charmaine added that it would be optimum to have the monitoring service that had been discussed, but we became aware of it after the budget had been created and approved. It is definitely something we will want to pursue in the future.

The fact that you can work your budget along with the monitoring makes a huge improvement over not budgeting for something and then having the system fail and having to go way over budget to fix it after that fact.

Shannon gave an example of a client that they were monitoring. While working with them it was discovered that they were experiencing the very early stages of a hard drive failure. By monitoring they could see this ahead of time and were able to go in and do a complete system backup so there was absolutely no data loss due to a crashed system.

Donna said she thought it was wonderful because Douglas County has their own IT folks, and special districts are asking for all kinds of things from the Ports that to be in compliance you would need to have this type of service. It's great to know they would be available, and would be doing regular backups.

Charmaine added that there has been much discussion in the past about the unique situation we have with the communications closet. There have been a lot of people look at it, including folks from CBSI who originally put it together. Having someone like Shannon who has worked in there and knows its layout, will be so beneficial when new tenants come in. When they are adding their own communications she can be there to make sure it's setup properly, and not just added with no set plan in place.

Commissioner Train then made a motion to enter into the Service Agreement with ORCOTECH for **offsite backup services** as presented for an initial term of 12 months as proposed at \$20 per month, plus .50 per gigabyte. Commissioner Nelson 2nd the motion. The motion passed by unanimous vote.

After the first action there was some discussion on specifics like what would be the maximum charge for the next part of the service. Curt explained that each client is a different and unique setup which makes it hard to know exactly how long it will take. One would expect a couple of hours, but, there is always the possibility something could come up that may take a little longer. Donna asked if mileage was charged on top of the proposal and Curt confirmed that there would not be an extra charge for

mileage. He also reassured the commission he'd give them a heads up if for some reason there was something out of the norm that came up which would require more hours than anticipated. Steve said he just wanted to be sure it didn't appear the commission was signing a blank check.

It will be a onetime complete setup, and then they would be able to work with the incoming tenant's providers. For example when the last tenant came in you would think since we were already using the same provider as they were using, it would be pretty standard to set it up, but this was not the case, in fact their installer was here for about 9 hours. If we had had someone here who was familiar with the configuration of that closet it would have easily streamlined that process instead of having to re-invent the wheel every time a new tenant comes along.

Commissioner Train then made a motion to engage ORCOTECH for **Tenant IT Management and Coordination of the Communication Closet Connections services** as per the quote dated June 12, 2012. Commissioner Nelson 2nd the motion. Motion passed by unanimous vote.

Commissioner Train then made a motion to approve the **Reconfiguration of the Port Office Network** as per the quote dated June 9, 2012 for a total amount of \$430. Commissioner Nelson 2nd the motion. Motion passed by unanimous vote.

4. Review Strategic Business Plan

As was discussed before, when we enter into an IGA with the state which will happen in the near future, part of that IGA requires ports to review their strategic business plans annually. We don't have to take any actions, we just need to make sure we have reviewed it, and then it's entered in to the meeting minutes that it has indeed been reviewed.

Last month the commissioners were provided copies of the SBP and were asked to go through it. This month we were here to answer any questions they may have.

Steve said it looked fine to him. Under the topic of rent we showed that the tenant would be responsible for providing a surety bond for 12 months rent or the commission could choose to ignore that. Another item he noted was where it stated that ports have to have voter approval for any long term debt.

Charmaine said something that is needed and that she has thought about quite often is for the Port to develop and maintain a Port Capital Facilities Plan. Not only is it part of the SBP, but with the docks and stuff that we have we really do need to create one. This would give us the opportunity to monitor and plan for the future.

Another thing when considering a capital facility plan is to be planning long term for the Winchester Buildings. There will be maintenance that will need to be done, and it

would be part of our due diligence to plan for that, instead of waiting until something happens.

Donna suggested if the building at 364 N. 4th St. sold maybe some of those funds could go into a fund for that. Charmaine said she thought that the operations reserve fund could be used for that as well. The key to it all though is having a plan.

5. Consider Vacant Commission Position #2

We received a total of 2 applications. One before and one after the commission suggested that the position be advertised. The two applicants were Jessica Terra, and Sunny Hedden.

Steve asked each applicant if they realized that they would have a legal and moral responsibility to be residents of the Port district, so that they could participate in making financial decisions regarding the Port Budgets and day to day operations. They both said yes.

He then asked Sunny about her application where it said she family history with the Port. She said that was true, her great-great grandfather was one of the first port commissioners. His name was John Hedden.

Steve then asked Jessica if she had taken the Ford Leadership training courses. She said yes she had and that they had just finished up their project within the last year.

Steve then made his recommendation to appoint Jessica Terra as the candidate to fill position #2. In light of her position on the budget committee she had been involved with the Port for some time, and with her Ford Leadership Training he really felt it would be a huge benefit to get the youth of our community involved. Eventually this will all be handed off to her generation and he felt that she would be the best insurance for the Port District at this time.

He added that Sunny was an excellent candidate as well, and the Port would like to keep her application on file for future reference. He also mentioned that there would be positions coming available on the budget committee and he strongly asked that she apply for one of those as a good entry level to get familiar with the Port.

Barry agreed entirely, he said we do need the youth to get involved because they will eventually be taking over.

Commissioner Train then made a motion to appoint Jessica Terra to the Port of Umpqua Commission position #2 that had been vacated by Debbie Williams. Commissioner Nelson 2nd the motion. Motion passed by unanimous vote.

The commission then thanked Sunny for applying; she in turn thanked them for the consideration and said she agreed that they had made a good choice by getting

someone from a younger generation involved. She said that was part of her goal had she been chosen to see if she couldn't get more young folks involved.

Charmaine will swear Jessica in at the July meeting.

6. Partnership for Umpqua River annual dues

The Port has been a supporter of this for a long time. This is for the annual dues. Steve commented that last year they came and gave a very good presentation on restorations they have been involved with and that they work a lot with Umpqua Soil & Water and the Smith River Watershed.

Commissioner Train made a motion approve payment of dues to the Partnership for the Umpqua Rivers for the Fiscal years 2012-2013 in the amount of \$100.00 to be paid from the General Fund. Commissioner Nelson 2nd the motion. Motion passed by unanimous vote.

7. Shall the Port Request proposals for Lighting Upgrade for the Annex building?

At the beginning of process to purchase the Winchester Buildings, Central Lincoln PUD came and did an audit of the lighting for a rebate program they offer. Steve and Charmaine have been working on the lights, and replacing a lot of bulbs. While doing so it was discovered that soon they will discontinue making the bulbs for our existing lights. Charmaine contacted PUD again and asked if the rebate program still existed. It does so and we would like to put out for an RFP to have an electrician come see how much it would cost to have the annex upgraded, as well as some of the fixtures in the main building. Steve suggested that the work on the Annex should be separate from any work on the main building since the Annex lights are working on old technology and those bulbs will soon no longer be in production.

The program is through Bonneville Power and the federal department who will cover part of the costs for a retrofit. This will not be available after the end of the year, so now is the time to take advantage of it.

Commissioner Train made a motion to direct staff to request proposals for retrofitting the lighting fixtures in the Annex building to meet current standards. Commissioner Nelson 2nd the motion. Motion passed by unanimous vote.

8. Staff Salaries

The proposed increases have already been approved and adopted during the budget process, but according to our auditor and previous counsel it is still a good idea to have this as a motion and included in the meeting minutes.

Commissioner Nelson made a motion to approve the wage increases as requested by the Port Manager. Commissioner Train 2nd the motion. Motion passed by unanimous vote.

9. Consider the Marketron Lease Extension

A couple of months ago Charmaine reported that Marketron was interested in a six month extension even though the commissioners preferred an annual extension they approved to enter into a six month extension at a 3% increase. This has already been approved by the Port Council.

Commissioner Train made a motion to approve the six month lease extension with Marketron Broadcast Solutions, LLC through December 26, 2012. Commissioner Nelson 2nd the motion. Motion passed by unanimous vote.

REPORTS:

PORT MANAGER'S REPORT:

Dock Report:

The Port Commercial Dock in Winchester Bay Brought in \$573.00 for the Month of May. Please understand that is not all that was billed, the billing was actually a fairly good amount. This is what we received; next month will be a pleasant surprise.

Siuslaw Fisherman's Association Ice Machine Proposal: Commissioner Nelson said the ice house is probably the center of every fishing port. It would really take some thinking and would really need to be coordinated with Salmon Harbor. It could easily bring in a dozen boats, but we really are not anywhere near that point. He said he would like to get with Charmaine and go up and talk to one of the folks up there to take a look at it, and it would give Charmaine the opportunity to see what a working ice house is like.

Steve asked if historically had there been trouble with this. Barry said the real trouble was not with the ice house but with the people they had to operate it. It actually is a very nice modern up to date piece of equipment.

Economic Summit Coos Bay:

The need to utilize the resources available on the South Coast to bring us out of the current economic downturn was emphasized over and over again. They pointed out that we cannot rely on tourism alone, even though some folks would like to be able to, it is just not feasible. Any revenue not brought in by manufacturing or selling of a commodity or product is simply recycled money. The need is to invest in businesses that produce and sell something to create wealth.

Quarterly Ports in Salem: agencies reported working on steam lining the permitting and regulatory processes.

Of particular interest: Business Oregon SB 766 Industrial Lands Certification. There are two programs, one is regionally significant in industrial areas and the other is industrial development projects that states significance. They have these programs where they do all the permitting in a one stop shop type of thing. Martin Callery of Port of Coos Bay mentioned maybe the Port of Coos Bay with the railroad, and the IP Site and possibly the Port of Siuslaw could maybe figure out a way to do this regionally. Then they commented that this will work

on anything except for those who have to have federal permitting. All ports do need federal permitting so that kind of threw us off, but it's still something that will be looked at.

Move August meeting date from August 15 to August 8th; which is the second Wednesday of the month. The general consensus was that would be fine.

SALMON HARBOR MANAGER:

Jeff VanderKley passed out a copy of the Salmon Harbor budget that was recently sent to and approved by the county. Every year he comes to the port and gives a status report of their budget as a courtesy, and in relationship through the intergovernmental agreement it allows him to show the Port what their budget issues are.

The budget is balanced and once again there were no contributions from the County or the Port. It's very similar to the budget from last year with the exception that the beginning fund balance is down about \$40,000 from last year. Also the fuel sales are up by \$100,000, which reflects the high gas prices. It has proven to be #2 on the list for revenue sources for Salmon Harbor. #1 is the RV resort and very close to the fuel is moorage.

There are no safety net dollars. Those were zeroed out. The safety net dollars used to come from the Wagon Road Fund, but that has dwindled down to the point there are 0 dollars this year. They will need to replace that with revenues from within Salmon Harbor, either through rate increases or fuel sales.

Steve asked if there was a solution to the sewer dump improvements issue. Not at this time, they had allocated for that but the study which he had included in the packet indicates that it is cost prohibitive for them to put in any kind of improvements. The board made a decision to set a limit of 26 dumps a day. This will require there to be someone there to monitor it every time the dump station is open. The only word from the Winchester Bay Sanitary folks on whether this will help the issue is that right now it's too early to tell.

The Pacific Coast Congress of harbormasters and port managers will be coming at the end of the summer. There could be as many as 70 different entities represented which will help direct dollars into our community. Our hope is that a lot of locals from Newport to Brookings will be coming because it will give them the opportunity to attend without having to travel as far away as Seattle or Canada where this event has been held in the past.

Yesterday they approved the expansion of the Marine Activity Center. The bids that came in were not what they had expected but they were doable. A guy named Tom Kiyeski out of Coos Bay had the winning bid at \$201,000.

Barry questioned the money that will be used for the expansion, and asked if it comes out of the rent and fuel or does it come out of increased costs at the RV Park. Jeff said it comes out of all of it; it's the operations of Salmon Harbor.

COMMISSIONERS:

Donna said one of her first loves in Salmon Harbor and she wanted to say something for the record.

There was a time that there were only 5 full time employees, now they staff 12. Those are good jobs. I do know that our future is with industry, but if Salmon Harbor had not been there I just don't know what would have happened to our community when the mill closed. I want to give credit to Jeff, and list a few things that have been accomplished while he was here.

When the private business in Salmon Harbor closed the fuel dock it was a mammoth undertaking for Salmon Harbor to open a new fuel dock. It was a shock how Jeff came to the rescue there. He has had to fight every step of the way with the county, and I'd like to bring that out also. When the fuel was changed and the ethanol was wrecking engines he made it possible for people to buy fuel without ethanol. Everyone in town uses that fuel for their lawn mowers and small engines. Without the events out there, even though in Reedsport it may not seem like much is going on, but those events help fill up the motels and the restaurants.

That is correct that the big buses that come into the RV Park do bring their own food, but when you have events like Dune Fest or the other events in Winchester Bay that brings a huge amount into the area. This was all accomplished through building the RV Park. Even though some people think it's in competition with private business it is one of the most beautiful RV Parks around. There are people all the way from Arizona who talk about coming up to Winchester Bay to the Salmon Harbor RV Park. It really has put this area on the map.

Salmon Harbor also has the clean marina recognition; in fact they were the first public clean marina on the Oregon Coast. Yes there were 900 boat slips but the fishing is not the same, and they are not getting the crowds. There is no big fight to fill up, and even though it's a higher rate to have the boats moored there it's like that all over the coast.

I appreciate all the work that Jeff has done.

The meeting was adjourned at 8:46 p.m.

The next Port of Umpqua Regular Meeting will be held July 18, 2012 at 7:00 p.m. at the Port of Umpqua Annex building, 1841 Winchester Ave., Reedsport, Oregon 97467.

Steve Reese, President

Karen Halstead, Admin. Assistant