

# **Port of Umpqua**

Regular Meeting Minutes  
Wednesday, February 20, 2013 at 7 p.m.  
Port of Umpqua Annex  
1841 Winchester Ave  
Reedsport, OR

*THESE MINUTES ARE FINAL and APPROVED.*

## **Commissioners Present:**

Vice President Keith Tymchuk  
Secretary Barry Nelson  
Treasurer Donna Train  
Asst. Secretary Jessica Terra

## **Commissioners Not Present:**

President Steve Reese

## **Port Staff Present:**

Port Manager Charmaine Vitek  
Administrative Assistant Karen Halstead

## **Proceedings:**

The meeting was called to order at 7 p.m. by Vice President Keith Tymchuk.

## **APPROVAL OF AGENDA:**

The agenda had been amended before being presented for approval. There were no other additions or deletions. Commissioner Train made a motion to approve the amended agenda, 2<sup>nd</sup> by Commissioner Nelson. Motion was passed by unanimous vote.

## **APPROVAL OF MINUTES:**

The draft version of the minutes for January 16, 2013 was presented for approval.

Commissioner Train made a motion, 2<sup>nd</sup> by Commissioner Terra to approve the minutes as presented. Motion passed by unanimous vote.

**APPROVAL OF BILLS:**

Commissioner questions regarding bills:  
There were no questions while checks were being signed.

Commissioner Train moved to approve payment of checks in the amount of \$45,563.83 to be paid out of the General Fund, 2<sup>nd</sup> by Commissioner Terra. Motion passed by unanimous vote.

**PUBLIC COMMENT:**

There was none.

**REGULAR BUSINESS:**

**1. Manager Procurement Authority Limit**

Charmaine had provided a survey that had been conducted in 2010 and then she had updated it. Currently the Port Manager has a \$150 spending limit without having additional approval from the board. This limit makes it difficult for daily operations. She was requesting that the limit be increased up to \$2,500.

Keith stated he had no problem with increasing this. The other commissioners voiced their agreement.

Commissioner Nelson made a motion to approve the Amended Purchase Approval Procedure increasing Procurement Authority Limit for the Port Manager at \$2,500 without submitting the request to the Board for approval. All other guidelines remain in effect as stated. Motion was 2<sup>nd</sup> by Commissioner Train. Motion passed by unanimous vote.

**2. Budget Committee Member**

There were a few folks that had applied for the two openings on the Budget Committee. One vacancy came when Delaine Humphreys resigned, and the other came when Jessica Terra became a commissioner.

All of the people who submitted applications have been to recent Port Meetings and therefore would be able to bring some knowledge to Port Operations.

Commissioner Train made a motion to approve the application to the Port of Umpqua Budget Committee from Leon Bridge to complete the three year term vacated by Commissioner Terra; term ending December 31, 2014, motion was 2<sup>nd</sup> by Commissioner Terra. Motion passed by unanimous vote.

Commissioner Terra made a motion to approve the application to the Port of Umpqua Budget Committee from Sunnie Hedden to complete the three year term vacated by Delaine Humphreys; term ending December 31, 2013, motion was 2<sup>nd</sup> by Commissioner Train. Motion passed by unanimous vote.

### **3. Consider Lease/Purchase Option**

This is a current project. Charmaine and our Port Attorney, Paul Nolte has been working to create a lease for Bauman & Sons, using the Tyree lease as a template. This will be a lease with the option to purchase the building at the end of the lease. The loan with the bank on this building has a balance at this time of \$37,683. Upon the request of Steve, Charmaine had figured out what would be saved on interest if the Port were to pay that off today. It would be a savings of about \$4,076. The loan is scheduled to be done in October of 2017. It was originally a 15 year loan. The asking price for the facility at 364 N. 4<sup>th</sup> had been \$119,000 and Mr. Bauman has agreed to that price. The lease will be \$800 / month, and he has requested that half of that go towards the purchase price. After surveying some other ports, including the Port of Coos Bay Charmaine has discovered that is about right. They did advise to not go under half.

At 24 months, with the option to buy \$9,600 of what they pay will go towards the purchase. After applying that to the purchase the remainder of the purchase price at that time would be \$109,400.

With not knowing if the market will go up in the next 24 months, it seems best to have someone in there and go forward with this option.

Donna added with the fact that this is a business; hopefully they will be able to offer jobs to a couple of folks while they are in there. The other commissioners voiced their agreement.

Barry wondered if they were to decide to not buy at the end of the lease, where in the budget does that \$9,600 go. Charmaine said it would be put in the Capital Reserve. No tweaking or budgeting really required. She did explain it's a triple net lease, so they would be responsible for the utilities, taxes and anything else that is in addition to occupying the building. They plan to move in on March 1, 2013.

Commissioner Train made a motion to approve the lease with Bauman & Sons Co. LLC for the building and property at 346 N 4<sup>th</sup> Street in Reedsport for a two year term with the option to purchase at the conclusion of the term at a monthly rate of \$800 to commence March 1, 2013 as presented authorizing the Port President and Secretary to sign the lease agreement, 2<sup>nd</sup> by Commissioner Terra. Motion passed by unanimous vote.

### **4. Lower Umpqua Enterprise Zone Update**

Charmaine had included in the meeting packets an e-mail listing the dates for upcoming events and meetings to make this happen. The taxing district meeting that is a requirement is scheduled for March 11, 2013. All involved have been invited. There has been discussion regarding the possibility of changing the map for this. It's been decided that the map will remain unchanged at this time. This will extend the enterprise zone eligibility for another 7 years. This is going to be a completely new

zone as the other has expired. In the past American Bridge did take advantage of it, but it was discovered in conversations that in the past it wasn't overly advertised. That is one thing that will be different this time around. Keith also pointed out this isn't just for new industry, if they meet certain criteria, existing industry can take advantage of this as well as long as they will be creating new jobs.

Jonathon Wright added he has requested that Alex Campbell also add this to any marketing list that is kept for new business looking to relocate to the area.

## **5. Port Centennial**

There are plans to get a meeting scheduled that will include Steve, Jessica, Donna and Sunnie to get some local folks to provide input or even joining a committee to help us celebrate this centennial. Charmaine will keep everyone updated as things progress. Keith added his preference would be to keep this low key. The other commissioners voiced agreement.

## **6. Heat Pump Assessment and Proposal**

At last month's meeting it was approved to have Bill from All Weather Heating do an appraisal of the current heat pump situation. His inspection report and proposal were included in the meeting packets.

Donna had requested for some specific information that Charmaine had gathered and provided showing what has been spent so far on the heat pumps. Since All Weather started working on them, it's been a total of \$4,530. Before we bought the building, there was an inspection and as a result from that, we had to replace a blower motor. The cost for this went to Florence Heating and Sheet Metal and was \$1,404. That makes a total of \$5,934 that has been spent specifically on the heat pumps. The additional costs are to get the system up to speed so it's in working order for our tenants.

Donna asked what it would cost for a new one, and Charmaine pointed out there are 7 of them. Jonathon and Keith said the City has been having the same issues. Keith said its best to just fix them, and get them right. Barry asked if there would be any adjustments to the "sections" and no, that shouldn't have to be done. In the quads the walls don't go all the way to the roof, and the way the sensors are setup it makes for an even environment.

Also, according to Bill the system was installed correctly so there should not need to be any modifications from where things are physically located.

Commissioner Nelson made a motion to approve the recommended repairs and modifications to the existing heat pump units by All Weather Heating not to exceed \$1,058.00 as proposed to be paid from the General Fund, 2<sup>nd</sup> by Commissioner Terra. Motion passed by unanimous vote.

## **REPORTS:**

### **PORT MANAGER'S REPORT:**

Dock Report:

The Port Commercial Dock in Winchester Bay Brought in \$3,663 revenue for the Month of January. I also purchased an electric 1700 psi pressure washer for Larry to use in cleaning up the dock and fork lift.

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Coos Bay Wagon Road funds: We received the check for the Coos Bay Wagon Road funds yesterday, a pass through to Salmon Harbor. It was uncertain how much, if any funds would be coming to Salmon Harbor this year so I budgeted for \$45,000 just in case so we wouldn't have to do a supplemental budget if Douglas County was able to provide these funds.

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Building notes:

Ladd Electric disconnected the three way light switch in the middle and end Quad, the one USWCD occupies. The lights were wired to turn on in both areas, with each area being occupied by different businesses; we thought it best if the light switches operated the lights that go to that business. He changed the layout so each space is affected by the switch in its own area.

I am getting bids for the painting as the commission directed last month. I am including this room as part of the bid. I've requested suggestions for colors that will go well in this room.

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Dredging meeting in Brookings: DeFazio

Jonathan drove two city council members and me to the dredging meeting called by Congressman DeFazio last month. It began with statements from three south coast ports and several elected officials. The point of the meeting was to gather ideas considered 'out of the box' to address Oregon shallow draft ports dredging needs in light of the lack of federal funding for these projects. At best it turned out to be an opportunity for anyone with a gripe or pet peeve to have the Congressmen's ear. We heard a few ideas but nothing that seemed to take hold of anyone's interest. The 5 port group consisting of Brooking, Gold Beach, Port Orford, Bandon and Umpqua will continue to meet and try to come up with plans to bring dredging funding or find another way to get it done. Bandon is sending two commissioners to the Washington DC trip PNWA organizes each year, to speak for Bandon and the 5 ports. We figure a combined effort will be louder than each port on its own.

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Budget: Expect budget calendar soon. Please let me know if you have problems with the dates. Usually they will be on regular meeting dates, unless a second or special meeting is required.

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SWACT make recommendations to ODOT on projects and participate in things like the Connect Oregon funding selections. They have several vacant positions, one being port representation.

Susan Morgan is vice chair and asked me to consider applying for the port representative position. I've thought a lot about it. I told her I would need board approval but also didn't know if I was qualified. She said she spends a couple of extra hours before meetings reading a preparing. I would like to hear what the Commission thinks about this.

Keith said ABSOLUTELY! He said the more representation we can get from our area the better.

The other commissioners said if it's something she would like to do, then definitely she should. It would also provide an opportunity for some really good networking too.

Charmaine added she would also like to sit on a couple of committees with OPPA too.

**SALMON HARBOR MANAGER:**

Jeff reported they have recently finished Dock 3, including completely refitting all of the whalers that were to be replaced and all the bumper material has been put back on. Dock 1 will be done next, but he is not sure that will get done before the end of the season.

They recently prepared the budget, a draft of which has been sent over to the county for their first meeting next Monday. Before sending the draft the committee looked at three various scenarios regarding revenue and expenses. Right now revenue is starting to slide and so they took the most conservative approach. They are currently looking at reducing their capital outlay by \$147,000, looking at professional services to be reduced by \$60,000 and possibly cutting two full time positions. He will keep the commission informed as they work their way through this process.

Jeff reported that he is planning to leave in June. Right now they are in the process of re-doing the Harbor Manager job description. What they are doing is adding the jobs Jeff has been doing that were not in the original job description, plus things that the committee thinks are very important for the new manager. A draft has been sent out to the committee and he is waiting for their comments. The recruitment is to start by the first of March and they will hopefully have someone on board by the end of June when Jeff leaves.

Donna said one thing that had been discussed during the budget meeting was that the fuel sales have been down from commercial fishermen. She said any encouragement that we can give the commercial fishermen to fuel up locally will really help. Keith asked if there is a serious price difference between Salmon Harbor and where the fishermen are going. Jeff said they do have a price break that he thought started at around 500 gallons.

Barry said they (the fishermen) do have some complaints. It appears that they (Salmon Harbor) give a few of the larger vessels a giant break and that hurts the smaller owners. It's not a good thing for the fleet.

**COMMISSIONERS:**

Jessica reported she recently attended the SDAO conference; it was her first as a port commissioner.

Keith reported at the last regional solutions meeting the governor's representative Tom Tuchman had joined by phone. The topic of discussion was for the forestry industry and the environmental groups to come up with an O&C plan that the state could stand behind. At this time the state and the governor have chosen to not to recommend a plan, because there are already a lot of different plans out there. Right now they are not close to any kind of a solution to O&C timber harvest and sustainable yields. Eventually it should get there. The next meeting will be in late March and Keith should have more to report then.

There was to be a conversation in Salem yesterday about the IP Property. Representative Caddy McKeown gets a lot of credit, she has taken this as a something she is partially responsible for and she wants to see that something happens there. The state is also very interested in seeing that property developed right now. The meeting didn't happen at the last moment because of schedule conflicts. There is still a great interest and there have been many discussions to see if there are any state dollars available to help create a joint public/private partnership. By the end of this session there should be more focus to make sure the IP folks get involved and come up with a solution so the property doesn't go residential.

Charmaine announced that budget time is here, she will be getting out budget calendars, and if anyone finds a conflict with their schedules let her know.

The meeting was adjourned at 8:01 p.m.

The next Port of Umpqua Regular Meeting will be held March 20, 2013 at 7:00 p.m. at the Port of Umpqua Annex building, 1841 Winchester Ave., Reedsport, Oregon 97467.

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Steve Reese, President

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Karen Halstead, Admin. Assistant