

## **Port of Umpqua**

Regular Meeting Minutes  
Wednesday, June 19, 2013 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 Donna Train  
Asst. Secretary Jessica Terra

### **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 were no additions or changes.

### **APPROVAL OF MINUTES:**

The draft version of the minutes for the budget meeting from April 17, 2013 was presented for approval.

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

The draft version of the minutes for May 15, 2013 was presented for approval.

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

**APPROVAL OF BILLS:**

Commissioner questions regarding bills:

Steve commented that he noticed there were some Wagon Road funds included in the checks that were signed at the meeting. Charmaine confirmed they were additional funds.

Commissioner Nelson moved to approve payment of the checks in the amount of \$ 5,503.50 to be paid out of the General Fund, 2<sup>nd</sup> by Commissioner Terra. The motion passed by unanimous vote.

At this point Steve said he wanted to thank Jessica Terra for her service to the Port and the Port district. She has chosen not to run for re-election and her position will be filled by Dennis Clemens. Her service was appreciated.

He also introduced John Wolf, Mr. Wolf is a former commissioner and he will hopefully be interested in filling the position of legal counsel for the Port that will be vacant upon Paul Nolte's retirement.

John said he had been contacted by our soon to be former attorney Paul Nolte regarding any interest John may have in filling his vacancy. He is interested. He was on the Port Commission from 1983 to 1987, and held the position of President for two of those years. Currently he is the Port Attorney for the Port of Siuslaw. He is able to handle the majority of their business either over the phone or via e-mail, and he sees that being the same situation with the Port of Umpqua. He said Paul had told him that he has been charging the Port \$200/hour and he said that he would be willing to continue with that rate.

He is currently with a firm called Speer Hoyt LLC, they are located in Eugene. Currently they represent about 100 rural fire protection districts throughout Oregon as well as about 12-15 small cities and other special districts, so he feels he is very familiar with municipal law, open meetings law and public records law. Other Ports that his firm has worked with include the Port of Gold Beach and the Port of Bandon.

Charmaine asked if there was a need would he be able to come to a meeting in person and he said that would not be a problem at all.

Steve directed Charmaine to make contact with John so they could work out the arrangements and then it could be brought to the commission at the next meeting in July.

**PUBLIC COMMENT:**

Joe Coyne of Winchester Bay addressed the commission and said he wanted to thank them for allowing the use of funds for a resource officer at the schools.

**REGULAR BUSINESS:**

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

Debbie pointed out that the rates were slightly up this year due to payroll increases. It is set to automatically renew with Special Districts on July 1, 2013. Everything within the policy remains the same except for the mentioned slight rate increase.

Commissioner Train made a motion, 2<sup>nd</sup> by Commissioner Terra to approve workers compensation renewal for the 2013 - 2014 fiscal years with Special Districts of Oregon in the amount of \$1,545.58. Motion was passed by unanimous vote.

**2. Intergovernmental Agreement with OBDD and the Port**

As part of the recent State Wide Ports Strategic Business Plan and individual Ports plans, and as a condition for Ports to receive state funding for projects or planning/marketing activities, the State of Oregon represented by the Oregon Business Development Department and the Infrastructure Finance Authority is requiring Ports to enter into an Intergovernmental Agreement intended to implement the Statewide Ports Strategic Plan by demonstrating the commitment of the Department and the Port to the policies and guidelines set forth in the Plan and provide a description of the roles and responsibilities of, and actions to be undertaken by the Department and the Port.

This all goes back to the topic of Ports taking fiscal responsibility for funds, whether they are grants or loans. In the past there have been some projects that Ports have entered into that did not turn out to be fiscally responsible.

Steve asked if this will be a template to be used with all Ports, or is it specifically for here. Charmaine said there is a template being used, and then it's getting modified for each Port. Paul has read through this and offered several suggestions which have been implemented and he has now given it his approval.

Steve noted a couple of requirements. It states we must have a best practices handbook in place by September 30 of this year. We have implemented several of the best practices and continue to do so, and the state is aware of our progress as well as our progress of reviewing our business plan every year. For the capital facilities plan, the state provided a template that has been used by other Ports and the state is satisfied with our progress on that too, plus that is something that Port of Umpqua has wanted to do for some time which is another plus for us.

Commissioner Terra made a motion, 2<sup>nd</sup> by Commissioner Train to authorize the President to execute and deliver the Intergovernmental Agreement (IGA); and by so doing, the commission expresses their commitment to perform on the IGA and implement the Port of Umpqua's Strategic Business Plan. Motion was passed by unanimous vote.

### **3. Oregon Port Economic Impact Study**

Along with the strategic business plan, OPPA (Oregon Public Ports Association) and the state, part of the statewide plan stated that the state wants to do an economic impact study for Ports. While the study is to be statewide all of the individual Ports were adamant that each Port would have their own sections covering the economic impact they have to their specific local and regional areas as well as the state. This is important because when a Port submits for dredging, grants or loans, in order to satisfy many of the requirements you must show your impact to the community. This study has been done before; created back in the late 90's and at that time OCZMA had a hand in it. That study has been used off and on over the years but it's time to be updated. This time the intention is to create a study that can be continually updated as opposed to recreating it every 5 years.

The state has done an RFP and a scope of work, which was provided in the past for each commissioner to review. Now the individual Ports are being asked to provide what economic category they would fall into, small, medium or large and then contribute a percentage based on their size to the overall plan. The Port of Umpqua falls into the small category which makes the amount requested from us \$1,250 which will also cover our individual section.

Barry said he didn't have any questions about this, but it irritates him that we have to spend any money on a business plan type deal. It seems like we are being asked to contribute simply because they can make that request.

Steve asked what happens to a Port that decides not to contribute. That hasn't come up so it's not known what the ramifications would be.

Donna brought up that we had to have our own strategic business plan created in order to be able to apply for financial assistance if we needed it, and this just seems to be the next step in that process.

There are other funds that could be applied for that aren't state funding, but this is specifically for the state and it shows that Port districts are being financially responsible.

Commissioner Train made a motion, 2<sup>nd</sup> by Commissioner Terra to approve payment of \$1,250.00 as the Port of Umpqua's Portion of the cost of the State Wide Ports Economic Impact Study to be paid from the General Fund. The motion was passed by unanimous vote.

### **4. Request Concerning East Basin Docks– Jeff Vander Kley Harbor Manager**

Jeff started by requesting that Salmon Harbor's economic benefit is included in that study. Sometimes with those Port studies they only look at the Ports and forget the benefit of the facility itself and its far reaching benefit to the whole region. He added if Salmon Harbor needed to make a contribution he was sure the committee would agree to participate. He then introduced the new harbor manager, Paul Stollard and his wife Gina.

Steve stated he felt the committee had made an excellent choice with Paul and wished him well.

In the past Salmon Harbor has looked into replacing the wooden docks in the east basin and whenever they do, they always run up against barriers. This time it had to do with increasing funds, reprioritization of projects and the fact that it's just a really difficult thing for Salmon Harbor to do by themselves.

Recently the committee has been taking in feedback from the community, and the community has shown a lot of interest in changing that direction. At their last meeting Jeff made a proposal to the Salmon Harbor Committee that they take a different approach. Instead of relying on the County and the Port, that they along with Salmon Harbor work together and try to figure out a way to replace two of the docks in that basin. One would go on the north side of Coho Point and the other on the south side.

Salmon Harbor has been struggling for some time to take care of these alone, but it's difficult for them to replace the docks and stay within the directives of the Intergovernmental Agreement. The IGA states it's the desire of the County and the Port that Salmon Harbor work in a self-sufficient way. There aren't any grants available for replacing the docks in the east basin, and they don't have the authority as an enterprise fund to leverage the assets or borrow money. Salmon Harbor works like a business, and there has been some confusion that they receive tax support. He clarified that they do not receive tax support. They do receive grants and contributions that are passed through and that could be interpreted as taxes, but they do not receive tax support from either the district or the County.

In 2010 it was announced that they were going to close the docks to reduce costs and this caused a lot of negative feedback from that effort, so they decided to go forward and replace at least one dock by reconfiguring and taking a dock from the west basin over and replace D dock making it a side tie dock. Due to funding issues they would have had to cut significantly out of their budget and they felt they just could not take this project on.

March 14, 2013 they again notified customers that they planned to close the docks and they went ahead and closed D and E which were empty. They also planned to go forth in 2014 and close G, C & H. Since that time the backlash in the community has been significant. Many believe this is shutting the front door to Salmon Harbor and it will make a definite impact on the local businesses.

It is impossible for Salmon Harbor to take this on as a bottom line business decision, yet it's damaging to our tenants and the community. Closing the wooden docks is like closing the front door to the marina, and therefore at the last Salmon Harbor Committee meeting they decided to pursue a joint effort immediately to replace two of the wood docks. This is based on the fact that they believe they should be replaced. This is a humanistic thing and they simply cannot let the east basin close.

Over the past 25 years they have reinvested about \$9 million back into county assets with all the grants and the projects they have completed which has included retro fitting a lot of the docks. They have done this by working within the IGA to accomplish that. Now they believe if everyone works together through a joint effort that the projects in the east basin can be taken on and have a positive impact there.

Through research for funding options they have found the 2010 Oregon Statewide Port Systems SBP, and in that document there are sections that apply to marinas, the particular section that would apply to Salmon Harbor is IV.D.5. (This document is provided with the minutes on line packet).

Basically it says that the moorage market on the Oregon Coast is probably not strong enough to allow marina operators to raise rates high enough to cover operating costs, yet these facilities are a key component to the local economy in many areas, and in order to preserve those economies the cost of replacing moorage facilities must be financed through tax revenues or grants.

In looking to the IGA Salmon Harbor does not have the authority to incur debt in the form of bonds or loans for needed infrastructure projects, therefore they need to rely on the County and Port because the IGA does provide the ability for them to all work together and fund projects.

With all of this said Salmon Harbor requests that the County and the Port begin a course of action to pursue funding for the proposed projects with debt service, if any, to be in the form of annual contributions from each entity. At the appropriate time, the County and the Port would agree to equally share in the design costs.

If an agreement can be reached concerning project funding, Salmon Harbor, in return, is prepared to delay the closure of docks C, G and H until such time that funding is secured or denied. Salmon Harbor will contribute a minimum of \$20,000 annually to the project for debt service, and if the County and Port agree to provide the balance necessary to satisfy annual debt service, Salmon Harbor will oversee all necessary contracts, secure permits and provide construction management for the projects.

Steve said he liked the idea and would be willing to sit down with the County and discuss some options. This is something that has waited too long, and should have had something more concrete done a long time ago. He recommended to his board that the conversations with the County Commissioners happen right away.

He asked if there were any companies that Salmon Harbor had ready to design the docks. Jeff said NorWest Engineering is one, and then there are others through the PCC that would also be very capable. An RFP for design is something that could happen very quickly when it's time.

It was suggested that a committee be put together to create a vision for the east basin, there is more to the area than just the docks, and the public that has come out to speak recently most likely have ideas on the matter. It is important to have them involved in this process.

Barry agreed and he said he would like to be a part of that committee, adding that right now it looks like a ghost town when you come into the harbor.

Jeff said he appreciated the support he was hearing, but from a staff standpoint it has been a struggle. They have been working with the Port and County and at the last joint meeting it was difficult. They were told to be self sufficient and work within the boundaries they have worked hard to follow and that they certainly could have never afforded to do this type of thing. They always wanted to and thought they could by floating docks over to do it, but realistically it just wasn't cost effective. They don't want to put a band aid on it; they want to get it fixed right.

Charmaine asked if he had approached the County and what were their thoughts. He said he had not but he hoped he could take back a positive recommendation from the Port board.

Steve said he expected Salmon Harbor to contact the County Commissioners and let them know the Port wanted a joint meeting. This needs to be organized as soon as possible.

Mr. Jim Ash, owner of Jitterbug N Java, said he was new to town but he questioned why were all of the boats located on one side and the small businesses located on the other. It seems like some of the docks could be brought over to the same side as the businesses.

Jeff said there is about 3,000 feet of spruce logs with wood on top, and it's not as easy as just moving them. You would have a lot of moving, relocation; and then bring in new docks which require permits. It's a process that will take a couple of years once you get the ball rolling. Docks deteriorate so you put your money into the docks that best meet your needs and aren't as expensive to fix, and that is what we have been doing. They have resurfaced all of those wooden docks over the years, but moorage population has gone down and for safety concerns, it was best to find the items they could repair and fix.

These decisions are not geared on having a detrimental impact on the businesses in the east basin; the decisions are based on financial reasons, and priority of our safety. Now, hopefully we can turn this corner and Paul will take the lead and work to keep those docks propped up for a while until we get through the process.

Steve asked for confirmation if they are then going to allow the remaining docks to stay where they are. Jeff said he wanted to see what the County had to say before he had an answer to that.

Lynn Labee, Winchester Bay, stood and asked when the Winchester Bay Harbor was divided into east and west. All of the docks on the west side are in great shape for the RV Park to listen to the halyards banging on the sailboats, and to see the pretty boats out there, and the

east side has been totally abandoned. If it's a complete marina, then why wasn't as much attention paid to the east side.

Paul said what they have been faced with on the old wooden docks is that they were built on spruce logs. The docks on the west side were made of concrete and therefore they could easily be maintained. The wooden docks are unlevel and they have gone as far as putting barrels under them in an effort to level them off so the ramps would come down and hit level. If they were to put in a brand new aluminum ramp and have it hit onto a wooden dock the aluminum would bend if it didn't hit correctly and soon it would damage the brand new ramps. So, they ended up working on the docks made of cement because they could put brand new wood on those, as well as brand new power outlets, pedestals and new wire lines. It issue wasn't that they only wanted to work on the west basin; it was because that is where the concrete docks are.

They did pull some of the west basin docks around to make a transient moorage and to accommodate a new business, Jet Boat Adventures. That dock has always been concrete, and it's been completely updated.

When asked if they could pull more over from the west to the east, he said they could but the pilings are completely different and things wouldn't align up right.

Eric Boe, Winchester Bay, said that he had worked on the crew that installed the docks in the west basin. That project was completed in the spring of 1971. The materials and design in the west basin are a lot newer than the wooden docks which were built from 1950 to 1964.

Mr. Boe said he is a lifelong resident of the area, and the bottom line for Salmon Harbor is that it is over built. When the new basin was built in 1970, Salmon Harbor had a waiting list for moorages. As the docks were installed during the 70's they would all fill up immediately. Back then no one could have foreseen today's problems. He contended that no matter what project was attempted in putting docks into the east basin, it is going to be an either / or situation. The problem is not just the docks in the east basin; there is no water over there. On a one foot minus tide the first one hundred feet of C dock is aground. These maintenance problems that are plaguing the east basin are not unique to it; eventually the same thing is going to happen over in the west basin too. Salmon Harbor is simply over built in terms of moorages and the question is going to come down to maintaining either the east basin or west basin in the long run.

Joe Coyne, President Winchester Bay Merchants, stood up and read stats for Winchester Bay regarding population and businesses and how many those service tourists using the bay view to enhance them. He asked that the Port work with Salmon Harbor to find a resolution to the current situation.

Mark Bedard, Business Owner Winchester Bay, spoke about how the current situation is creating negative first impressions, and is affecting his business. He too encouraged the Port and County to work with Salmon Harbor to fix these issues.

Art Dever, Winchester Bay, said this was the first time he had ever heard anything encouraging about getting something done, and it was gratifying to him to see it. He wanted to request that this topic be automatically put on future meeting agendas until there is a resolution. He also wanted a report available after those meetings on the progress if any that had been made.

Steve wrapped it up with saying he hoped this would be a good starting point. He still heard angry voices even after the Port agreed to get together with the County and proceed. He asked that they realize this is a starting point on finding an acceptable resolution on the dock situation in Salmon Harbor. He also thanked the public present for bringing their concerns to the meetings, and invited them to attend future meetings, stating that the commission needs their feedback.

## **5. Staff Salaries**

The fiscal year 2013-2014 budget provided for pay rate increases. That budget was approved and adopted. This was a request by the Port Manager for a motion to approve them.

Commissioner Nelson made a motion, 2<sup>nd</sup> by Commissioner Terra to approve the wage and salary increases as requested by the Port Manager. The motion was passed by unanimous vote.

## **REPORTS:**

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

7 Ports coalition report: Used to be 5 ports group.

Including Siuslaw makes us multi regional and be eligible for additional funding sources.

The focus of our meeting yesterday morning was to reinforce and verify the Oregon South Coast Ports Coalition. The legislature, which is still in session, is pushing for the ports to prioritize dredging needs. Funding is not in a budget yet but is 'on the table'. We are told the legislature has referred to the port coalition as 'legendary' and realizes the energy the coalition has developed.

There was another meeting today involving the ACOE, the state IFA, Jeff Griffin with the governor's office and the involved ports. The Corps was to report on the dredging needs of each port as revealed by the recent annual surveys. I was not able to attend that meeting but will be receiving the information from it.

There are funding amounts and sources being discussed and proposed.

A draft IGA will be provided to you as soon as we can get it developed. I would appreciate your prompt review when you receive it.

More to come as I get it.

Dock Report:

The Port Commercial Dock in Winchester Bay Brought in \$1,120.98 for the Month of May

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I will be out the week of July 1<sup>st</sup> to return on the 8<sup>th</sup>. The office will be in Karen's capable hands.

**SALMON HARBOR MANAGER:**

Jeff said they are very encouraged about the dredging. It's a pipeline dredge, and to be involved with this would be very cost effective for Salmon Harbor.

He thanked the commission for all of their support during his 24 years as Harbor Manager. A lot of good times, and some ups and downs along the way, but he always appreciated the support of the Port.

**COMMISSIONERS:**

Barry reported he went to the OCZMA meeting. Georgia York is going to continue to be the main point of contact. She has worked for the organization for 36 years and even though she is very eligible for retirement, she is staying on.

Onno Husing, who was the OCZMA manager, spoke with the County Commissioners in Lincoln County and they fully support this, they think it's a big benefit to helping all the coastal zones.

Barry was again re-appointed to the board.

Jessica thanked the commission for the opportunity to be on the board, as this was her last meeting.

Donna thanked Jeff for all the work he has done at Salmon Harbor, she has worked for him, and with him on the Management Committee. She also welcomed Paul.

She also reported that there will be a meeting of the Oregon Main Street Program on June 26, and they will be discussing downtown revamping. Jonathon Wright added that this is in part with the Urban Renewal District and the Downtown Merchants will be involved. They are also hoping to get members of the Chamber there as well.

This program is something the Downtown Merchants undertook a number of years ago, but because of funding it died out. The Main Street Program now has a new director and she feels fairly confident that they could possibly help. It will then be up to the Urban Renewal Agency and the Downtown Merchants to decide if they want to get together and move forward with that process.

The meeting was adjourned at 8:09 p.m.

The next Port of Umpqua Regular Meeting will be held July 17, 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