

Port of Umpqua

Regular Meeting Minutes
Wednesday, October 16, 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 Dennis Clemens

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:

Commissioner Nelson made a motion to approve the agenda as presented, 2nd by Commissioner Clemens. Motion passed by vote 4-0

APPROVAL OF MINUTES:

The draft version of the minutes for September 16, 2013 regular meeting was presented for approval.

Commissioner Clemens made a motion, 2nd by Commissioner Nelson to approve the minutes as presented. Motion passed by vote 4-0.

APPROVAL OF MINUTES:

The draft version of the minutes for October 7, 2013 special meeting was presented for approval.

Commissioner Clemens made a motion, 2nd by Commissioner Train to approve the minutes as presented. Motion passed by vote 4-0.

APPROVAL OF BILLS:

Commissioner questions regarding bills:

While looking over the financial reports Commissioner Train asked why there had been a \$50,000 transfer, it was because the commission decided to pay off the remaining balance of the loan to DCIDB which brought the balance down far enough that it required a transfer.

Commissioner Nelson moved to approve payment of checks in the amount of \$ 6,047.28 to be paid out of the General Fund, 2nd by Commissioner Clemens. Motion was passed by vote 4-0.

PUBLIC COMMENT:

Art Dever of Winchester Bay asked if there had been any movement replacing or fixing the docks in Winchester Bay.

Donna: I know they have materials that they are trying to work with in the shop. At the last meeting about a month and a half ago it was discussed to not close three docks that had been scheduled to be closed, instead they are going to try to keep them going with materials they already have on hand.

Dennis: Wasn't there discussion about handicap ramps?

Donna: Yes through the State Marine Board. He (Paul) is looking to get financial assistance, and if it can be justified to put in a handicapped ramp it will be a lot longer and it will help one of the docks out there. The Salmon Harbor Committee talked about bringing one of the docks over from the West Basin and now they are trying to figure out how to financially do this.

Art: Are there any funds to pay for this?

Donna: He (Paul) is taking it out of the contingency fund, it hasn't been earmarked for it but he has some contingency funds.

Dennis: Paul is working really hard to find a solution on this.

Keith: Can we make it a concerted effort to get Paul here to the meeting? He has been coming to the meetings; this is the first time he hasn't been able to make it.

Joe Coyne, Winchester Bay: About a month ago we met with Susan Morgan. The question posed to her was "if you were me how would you find the financing for the new docks". Her answer was to be patient, they are working on it.

He said they will be patient for a while, and he knows the financing is one of the issues. The Marine Board is coming down tomorrow. No one else had heard this. Jonathon did say it was planned to go meet up with them next week. There was more discussion that they will also be going to Florence next and he asked if anyone on the Port's board was planning on trying to meet up with them there, and the answer was no.

REGULAR BUSINESS:

1. Conflict of Interest disclosure letter: Port Attorney

The Port of Umpqua attorney also represents the Port of Siuslaw and since there is now a South Coast Ports Coalition, there is the potential of a conflict of interest.

Keith: The only potential of conflict that may come up would be if the two ports were to disagree either on a portion of the IGA or being involved in the IGA, and if that were to happen then Mr. Wolf would declare a conflict of interest.

Commissioner Train made a motion to authorize the Port Manager to sign the Consent to Terms of Representation letter to allow the Port Attorney, Mr. John Wolf to represent the Port of Umpqua and Port of Siuslaw in the matter of the Intergovernmental Agreement between the South Coast Ports Coalition, 2nd by Commissioner Clemens. Vote passed 4-0.

2. Port Representation to the Oregon Main Street Program board

Commissioner Train represents the Port of Umpqua on the Urban Renewal board, and as of now there is not a Port Representative on the Main Street Program board.

Donna said she is representing the Urban Renewal Board on the Main Street Program board, and they have requested a port representative and she isn't comfortable representing both parties on that board.

Keith asked Jonathon if there is a necessity to have a port representative.

Jonathon: The Main Street Program has requested part of the steering committee have a port member there. It deals with economic development and community involvement. It's a volunteer board and the port could decline.

Charmaine said if she was asked to do it, she would join the board in support of Jonathon.

Commissioner Nelson then made a motion to approve Charmaine Vitek to serve on the Oregon Main Street Board representing the Port of Umpqua, 2nd by Commissioner Clemens. Vote was passed 4-0.

After the vote there was discussion on whether the Port board needed to approve Commissioner Train being on the Main Street Program board, since she is the Port Representative on the Urban Renewal board, but since she is representing the Urban Renewal

on that Main St. board it is not required that there be a motion to approve. She isn't representing the Port on the Main Street Program. When asked if the commissioners had any concerns with this situation, there were none.

3. Port Computers and Software

It has been discovered through our IT folks, Oregon Coast Technology that our operating system which is XP will no longer be supported by Microsoft after April 2014, which will leave us open to high risks.

Charmaine had planned to budget for this on next year's budget, but then this announcement came out that this is all happening before the end of our current fiscal year. During the last audit, she asked Signe how she should move forward with this on the current budget and Signe was adamant that the security on the computers is a lot more important than not having a budgeted line item somewhere. Our budget is well able to handle it. She also added she is dealing with the same issue in her office.

In order for us to be compliant and for our security we need to upgrade the computers. Oregon Coast Technology supplied a proposal that includes the computers, labor and software needed, and it came to \$4,690.

Barry: What system are they going to upgrade to; it will be Windows 7.

Charmaine asked about other items we have that were purchased at the same time as the computers such as the keyboards and such. Those will not need to be upgraded, and software that we need such as QuickBooks is included in the proposal submitted.

Another issue that has come up lately is that there is very little hard drive space available on Charmaine's computer because in order to do our offsite backups everything from the Administrative Assistants computer goes onto the Port Manager's computer and then it's all backed up from there. This upgrade will take care of that as well.

Keith: This was a planned budget item in 2014? Charmaine knew it was coming up, just not before the end of the current budget cycle.

The line item is called office machines upgrades, which is usually for printers and that type of thing and that is what it would have come out of, so she asked Signe because it's almost \$5,000 and the total comes out of the general fund, and Signe said what we will end up doing is having the labor come out of professional services, and the hardware will come out of the other line item, so the general fund will be able to cover it.

Keith said he had no problem just as long as the bid was competitive. Barry said it sounded very reasonable since he has had to do the same thing and he has done the work himself and it's cost him a couple thousand dollars.

Donna asked if this quote would also cover virus protection. We could have added that, but decided not to purchase it from them. They have provided an offer, but we have virus protection and it works fine.

Commissioner Train made a motion to approve the quote from ORCOTECH for computers, software and labor to set the systems up not to exceed \$4,700 to be paid from the General Fund, 2nd by Commissioner Nelson. Vote passed 4-0.

REPORTS:

PORT MANAGER'S REPORT:

Dock Report:

The Port Commercial Dock in Winchester Bay brought in \$1,168.54 for the Month of September.

The Miss Linda has been supporting the OPT effort to reclaim the buoy that was 'misplaced' off of the Umpqua River. They have been using the Port dock in Winchester Bay to load, off load and moor at night. There were questions about logistics and having a vessel at the dock overnight, which is actually against port policy. Bob Pedro, who is the skipper wanted us to know that our Port dock assistant Larry Greene has been extremely helpful and has made every effort to accommodate their needs every way possible and is an asset to the Port.

Barry said he had a problem with anything having to do with wave energy using that dock, it's not what it's for and what do you charge them? We aren't charging them right now.

Barry: They need to be charged because that is a commercial endeavor and they can go and pay \$100 per day. We went to great trouble to get no cost for that, and no cost because that's a fishing dock and was put in there to support the fishermen, and now we are giving free moorage basically to a boat that is trying to wreck the fishing industry, and that is the opinion of the fishing industry.

Charmaine had asked the skipper to see if he could work with Salmon Harbor and he talked to Patti who said they would accommodate them on the break water dock if there wasn't enough draft on the transit dock. They had planned to let them moor there for free, but he didn't fit in either of those.

Barry: We're a business here and we are trying to get money and somebody comes in that is actually a business that is being hired by OPT or whoever is paying their bills and we let them moor there for free.

Charmaine: I don't have a dock schedule for moorage prices for that dock.

Barry: That's because it's never come up that we'd have a person tie up there, and also when you have great big boats coming in there, there is the potential of them wrecking that dock. That's why we have the other dock that we own up the river, and that's where those guys

should be tying that boat if they're going to be staying in. Plus we don't want to go in there ready to unload and hear "Well the skipper's not here or something like that".

****Keith:** One thing this makes clear is that we need to have a moorage policy in case events like this do come up and that is something I ask Charmaine to find out about. It may happen again. Have we had fishing boats moor there before?

Charmaine: We have one that has tried and Larry encouraged him not to, and that is what I told Mr. Pedro was my issue that someone would say "well you let them do it, and you didn't let us do it". That is why I sent him to Salmon Harbor first and they could not accommodate him. I had to do something.

Dennis: How long is he going to be there?

Charmaine: He said he'd be out of there by tomorrow afternoon; he was dropping them off tomorrow and then heading back to Coos Bay unless the seas are bad and they can't finish the job.

Dennis: Is that going to cause a problem if they are there until tomorrow?

Barry: We are unloading Friday morning. Big boats normally tie on the transient dock, and he can tie there, other bigger boats have, so I don't know why he can't.

****Keith:** Let's investigate at least an emergency rate structure in case something like this happens again.

Barry: It doesn't need to be as much as our other dock, that is a little high. When you go to Coos Bay its \$50 per night.

Dredging report

The Yaquina was still there yesterday; don't know if she is still there today. She has been pulled out a couple of times, the first time she got 20 hours in, and we were supposed to get 9 days. I haven't gotten a report yet of how many days or cubic yards were actually done, but she has been out there and I will have a report the next time. It takes some time to get the reports from the Corp, but she has been here and did get some dredging done.

Barry: What was the reasoning for pulling out?

Charmaine: Weather

Barry: When they pulled out of here I was pulling into Newport and I saw them and they had started dredging at Newport.

****Keith:** Another thing we need to find out then is if we did not get our 9 days in, which has been paid for by the state, and what would be the process for recovering those hours. Do they go elsewhere or do they come back here?

Dennis: Wasn't there conversation that their layover was in Coos Bay, if they weren't going to work here they would be in Coos Bay and not in Newport.

Barry: In years past when they give you 9 days and they have to pull out for some reason, I believe that the travel time is charged against you. So if it takes a day to go in and a day to go out, you will lose 2 days of dredging.

Heat Pumps replacement proposal from All Weather Heating for planning purposes:

A proposal was provided with the meeting binders and is in the online packet of this meeting. Bill Hale with All Weather provided the heat pump replacement proposal as requested for the capital facilities plan. It was previously reported that by 2014 the coolant currently in the heat pumps will no longer be available. As you can see, it is quite expensive. The recommendation is to budget for and replace one unit per year, therefore getting all of the units replaced by 2020.

Keith: Why are there so many problems with heat pumps? It seems like there are problems with heat pumps continually.

Jonathon: We at the city just fired the last guys that were working on ours because they just kept coming back over and over, and so the city went with a company called Adcox out of Roseburg. They have had to re-do a lot of stuff the other company had done, and now things are running well.

Barry: Make sure and ask them when talking about the Freon going out why they can't use a drop in replacement Freon. We had the same problems on the boat, when they go out we have found that there are some drop-in Freon's that we can replace the old one with.

Charmaine: This is that kind but there is also more to it. He has said 18 years is the life span, and they are at 18 years right now. The cooling system in the Annex went out and they can't get the replacement for it anymore so we went ahead and just removed it since the cooling system isn't really used in here. In the replacement plan, that would be the first one to replace.

Dennis: In this proposal it only lists the heat pump themselves. It doesn't show any duct work or labor, this is just strictly a unit replacement. Judging what I'm reading here each system is a unit in itself. Yes they are.

Charmaine: It says we propose to furnish materials, labor complete in accordance with the above specifications.

****Barry:** I would talk to the company Jonathon mentioned and see what they offer.

Charmaine: This is just a report to get us started on some type of a plan; we will go out for bid when the time comes to move forward with this project.

Capital Facilities: Dock Inspections/Assessments

I've spoken often about the need to have our two commercial docks inspected, both to assess their current condition and assist us in preparing a capital facilities plan to meet any future needs. Jonathan helped me come up with a brief request for proposals to submit to 2 or 3 engineering firms for consideration. I've already received one proposal from Reid Middleton since their Mr. Willy Ahn has been doing work for the Port of Coos Bay. I invited him to stop by when he was in the area but we were not able to get together so he provided a proposal to do the inspection. I've also sent the proposal to Mike Dunning, the new Marina manager for the Port of Coos Bay. We were discussing their dock projects and he mentioned I'd want to include load ratings in the RFP. He agreed to look over the RFP and comment.

At this time I want to inform the board that I will probably be sending the RFP out this next month, if all goes well. I anticipate the cost will be in the \$5,000 to \$6,000 range. This has been budgeted for in the Commercial dock repair line item under Capital Outlay.

Questions?

Barry: Same question I've had all along, why this is necessary and who is requesting this.

Charmaine: As stewards of our facilities and in order for them to not get so bad that repairing them would be a lot more involved than if you're inspecting them regularly. The dock on the Umpqua River was built in 1996 and the one in Winchester Bay you can kind of see under it but that still doesn't tell you anything about the stress on it.

Keith: Donna were you the Port Manager the last time we had the one in Winchester Bay done.

Donna: NorWest Engineering went out and inspected it. But in order to get Special District insurance coverage we have to have regular inspections. What I have heard since I was manager is that they are quite high, and so if we do go out to other companies and still meet the requirements that we need through Special Districts covering us insurance wise then I think it's a good idea.

Charmaine: I haven't heard anything from Special Districts specifically about that, but they do encourage the continual upkeep of your facilities, and considering what the Port had to go through to have it completely rebuilt because of the lack of maintenance and upkeep I feel it's upon me to do my job.

Dennis: Are we on a recommended schedule?

Charmaine: NorWest actually recommended a schedule, and it was every 3 years and depending how bad it looked when they came to look at it, then they would do a more in-depth, and then there is a 3 phase different intensity they would do.

Keith: We have had some work done on this dock. Fred Wahl reported to us, and then there was some major work done after the NorWest review on the fishing dock.

Barry: When there is a problem it gets pointed out. What you're talking about wasn't pointed out by NorWest but was pointed out by someone else.

Keith: If we had done a regular review of that dock, I think we would have been able to save quite a bit on the damage that needed fixing.

Barry: In the past one of the people who found some of the problems was Roger, so if we want to do something maybe we should see if he is qualified. It would probably be a lot cheaper. The dock now is not the dock it was when Eureka Fisheries had it; it's a lot nicer dock now.

Right now Charmaine is investigating it and just because we are asking for proposals does not bind the Port to anything.

OPPA annual conference:

Sessions on:

- ✓ Municipal Leases and property management
- ✓ Nation Flood Insurance Program in Oregon and National Marine Fisheries Service: flood plain development
- ✓ Legislative updates and how they affect Ports and port operations

PCC conference:

I attended the Pacific Coast Congress of HM and PM last week in Eureka. Some of the topics of discussion and training were:

- ✓ Marketing marinas and facilities,
- ✓ Restructuring; how to deal with changes in organizations whether caused by budget cutbacks, staff changes or any event that causes changes to the what we call normal,
- ✓ When is a good time or opportunity to engage contract help instead of hiring staff; pros and cons of both
- ✓ Pests: rats, opossums, raccoons etc. Very good discussion ranging from vermin to people and how facilities deal with them as well as how some municipalities inadvertently encourage it.
- ✓ Of course, always a safety session, it was really good considering the topic
- ✓ Coast Guard, how they play a crucial role to port, marina and ocean safety

The host port provided an oyster scowl tour of some oyster farms in Humboldt by as well as BBQ oysters and albacore.

Barry: Did anyone discuss flood insurance, and why we can't get insurance on our dock?

Charmaine: I just know that our insurance is through Special Districts and they don't insure any docks for floods.

The lady who gave that seminar was very good but you could tell it was very complicated. She would be talking about the different agencies; federal & state and with several of those and you could tell when she was talking that they do not work together and she is trying to make it work to be able to present it to Port people in a way we could understand. She kept saying over and over "they still have to work that out".

346 N 4th street property update:

The special meeting minutes the board approved today will be provided to AmeriTitle tomorrow to facilitate the closing which I was told could be the end of this week. It is going through escrow and the existing loan on the building will be paid off as part of the process. There will be some closing costs and title insurance fees but the Port should see approximately \$75,000 which I will recommend be deposited into the current Operation Reserve Fund for future use on the Port Buildings for things like replacing heat pumps and painting the exterior. The remaining obligation to Umpqua Bank on the 364 N 4th street building is about \$32,818.

The Operation Reserve Fund was established for: Operation and guarantee funding for opportunities. The other option would be Capital Reserve fund which would be for acquisitions.

Keith: I've been thinking about it and we did a good thing with that building. Buying it, using it, and then selling it. When that loan is paid off – we will be ABSOLUTELY DEBT FREE! I'm willing to bet there isn't a port around that is debt free. Charmaine said Bandon was. He still was very happy about fact.

Port web site:

Karen has provided samples of other Port's web sites listing the board's Biographies from short and sweet to longer, more in depth. She is seeking feedback from our board on how extensive you would like to see on our web site. Please take the documents from the managers report section, the last set of pages with you to review and let Karen know your thoughts. You can either email her or give her a call.

I will be out all next week, and Karen needs to be out Thursday and Friday of next week so with the approval of the board, we will close the Port offices. This request did meet the board's approval.

SALMON HARBOR MANAGER:

No report

COMMISSIONERS:

No report

The commission left the Regular Meeting to go into executive session at 8:04

EXECUTIVE SESSION:

Pursuant to ORS 192.660 (2) (e) Regarding Real Property Transactions

Returned from executive session back to the Regular Meeting at 8:25

The meeting was then adjourned at 8:25 p.m.

The next Port of Umpqua Regular Meeting will be held November 20, 2013 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