

Port of Umpqua

Regular Meeting Minutes
Wednesday, September 17, 2014 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

Commissioners Not Present:

President Steve Reese
Asst. Secretary Dennis Clemens

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:

There were no changes to the agenda.

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

APPROVAL OF MINUTES:

The draft version of the minutes for August 20, 2014 was presented for approval.

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

APPROVAL OF BILLS:

Commissioner Nelson moved to approve payment of checks in the amount of \$2,894.39 to be paid out of the General Fund, 2nd by Commissioner Train. Motion passed by unanimous vote.

PUBLIC COMMENT:

There was none.

REGULAR BUSINESS:

1. Annual review of Strategic Business Plan

The Commission is required to review the Strategic Business Plan (SBP) annually, in the meeting binders Chapter 5 had been included which is the portion that has to do with projects and potential projects. There are two items in the plan that have been completed; debt service, and acquiring the Port Business Center.

There was discussion if it would be appropriate to add regional infrastructure support, with the Jordan Cove Project being used as an example. Keith suggested changing the portion of acquiring the Port Business Center to marketing and developing it since it's been acquired.

There was more discussion on adding a section encompassing the support and development of industrial lands within the Port District. Keeping it generalized vs. naming specific properties and projects.

Charmaine pointed out in order to receive any state funding for any project, it has to be included in the SBP. She will work with Becky Bryant to see if Becky can help with the correct wording needed when adding projects and potential projects into the plan, so that it qualifies for future development.

Keith questioned why the Salmon Harbor "D" dock engineering study was in The Port's plan. Part of what the consultants did when compiling information for the SBP was talk with Jeff and Linda from Salmon Harbor since there is the Intergovernmental Agreement, this was during the time the D dock situation was an issue. Paul has since taken care of the dock issue. It was suggested to change the wording from specifically saying "engineering study" to simply Salmon Harbor support.

Charmaine said that in the section that talked about dredging she had made a note to add continued partnership with the South Coast Ports Coalition for harbor and marina dredging and the acquisition of dredging equipment to maintain harbors and marinas through the state. She suggested that instead of listing help to Salmon Harbor with D dock, that she would change this to helping them with the cost of the dredging in the harbor and marina.

Barry commented he didn't think we should be tied whatsoever with Salmon Harbor.

Charmaine: We already are whether you think we should be.

Barry: We don't want to support them because that's their business. They run a business, they could fire a couple of people over there far as I can tell and get it running like a regular place. They are just raising the cost up and every time you give a nickel they want to borrow another dime. They are way too expensive no matter what they say they are. They are getting to be one of the more expensive places there is and we're not getting anything back from it. And you look back through all the records and there are no capital investments around the docks except this one that's come up. Every capital investment is always the small boats, and there's a place you can raise a buck by charging them \$5 to put the boats in and out. That's just business, when you do something you need to charge people that are using the thing, and we don't want to get involved with the city, we have other things to do outside support stuff.

Keith: Unless we get rid of the IGA then it's hard for us to duck Salmon Harbor entirely. We could have that discussion at some point down the line, whether we want to dump the IGA or not.

Barry: They do it to us, they flat did it to us. I forget what but when we were talking about having a business doing with them, they were not going to have any expenses coming back to us. That's run very tight from them, they run a very tight ship, they were willing to accept everything that is coming in this way but they certainly weren't offering anything going out. If a person does business with that business they should remember that. There is nothing against treating another business just like your treated cause that's how stuff goes around.

Donna: But in defense...

Barry: We are not here to defend them.

Donna: Because I represent The Port on the Salmon Harbor Management Committee I am defending it because they did get rid of two full time positions. The same employees are picking up all of that extra work. So I will defend it...

Barry: You are defending it from their point of view and you don't work for them you work for The Port and you need to take care of things that deal with The Port. The last one you brought up I really disagreed with was when you defended them about raising the fuel costs. Now we have the most expensive fuel costs. I owe them 50 cents more a gallon than another guy comes up to get a tanker truck. We're not there to see that they stay in business, we're there to help the people and outside the area, that's who we represent. You may be the go-between between this court but what comes out of this, we're supposed to be supporting the people to them, and you're not the representative supporting Salmon Harbor.

Keith: Barry then I suggest that you bring the subject up and we talk about whether we should talk to the county about abandoning the Intergovernmental Agreement. Because with the IGA it's hard for us to run away from Salmon Harbor, they are our baby, and legally in a sense we are tied to them.

Barry: I'd like to support them in the things like the dredging and fighting to get more pilings because they have legitimate complaints there. It's ungodly expensive to drive pilings and fix anything. But then again like this dredging, the dredging didn't do me any good, where my boat is, because they didn't dredge anywhere where the boats are. They did where I have to go but sooner or later Salmon Harbor is going to get silted in.

Keith: That's the intent of the dredging program is to help prevent that.

Barry: I agree that's the kind of help with dredging that's fine, it's the other, start getting real specific about things...

Donna: Well, if you take the list on the dock out, there was so much public outcry about the docks down there that that was the reason I think that you put that in. People were coming to The Port saying what are you going to do with Salmon Harbor, how are you going to help with the costs.

Keith: I think that was afterwards wasn't it, wasn't that when people were vocal was after we did the Strategic Business Plan.

Charmaine: I don't remember specifically, but it was in the discussion because they picked that up from Jeff and Linda, I'm sure. They questioned people around town, they asked several people who they might have gotten that from.

Keith: If we leave it, it seems like a project that has been set aside for now.

Donna: It has but then we did need to have the engineering study, I would say Salmon Harbor got support or something like that. But if it isn't listed then there will be more people coming to The Port meetings really up in arms because it isn't something that we are saying are concerned.

Barry: I doubt that they would come too much anymore because the reason it started coming here is because Salmon Harbor wasn't doing anything. And until VanderKley left... Paul is a more down to earth person, he's a maintenance guy who can get stuff done, and he has a better grasp of what needs to be done.

Keith: I think they came because Jeff did their business plan, or their development plan which was to remove that dock.

Barry: Yeah they were going to remove it, take all of them out and take everybody off that thing. I guess everybody's opinion, and it's not just this harbor it's every harbor, it starts to look like a ghost town there.

Donna: Well you don't want to take the infrastructure out.

Barry: No, and it's too bad it's so expensive because they could have some kind of dock for floating around, it's just really too bad because you could get more people coming in, but everything cycles around. Back when it was maybe 5 years or 8 years when things were coming to a head and slowly boiling up there weren't any salmon around either or all the small boats, now it's starting to come back and now boats are coming and I see more and more boats out there when we're going, I see them stacked up and piled up on the trailers and stuff. So the more of those coming the more money.

Keith: Let me jump in if I can, I had one more comment on page 35...

Barry: In general are you taking notes that this is going to be changed? This is what we're changing and what we talked about, and then we're going to make a motion to approve the changes?

Charmaine: I'll make the changes then bring it back.

Keith: No we're not making changes, we have these debt guidelines which I really quite like, but I can remember having no discussions with those guys about debt guidelines at all, do you remember that or did they just borrow that from OPPA or something.

Charmaine: It's probably from the State Strategic Plan which all of these are modeled after.

Keith: Ok, that makes sense because I can't remember having that, and for us it's certainly been the case especially with the debt. That's all I had. Clearly some of these things will change, expenses to revenues. How often do we have to do this?

Charmaine: You're supposed to review it every year, and update it every five years and then it says something about every 10 years but I don't advocate....

Keith: What was the bill for this? \$50,000 for the plan, our part was \$12,500.

Donna: One more page, on page 37 we put in the CB Wagon Road, we know we're not going to be getting that.

Charmaine: It's still, and the auditor even lists it as revenue, she lists it as an expense but she does list it as revenue. I put it in the budget because I don't want to have to do a supplemental budget if funding does come through.

Charmaine asked if anyone had a chance to look at the IP site re-development concept again. Jonathan asked about the wording of marketing in the plan. At one time The Port actually went to IP and requested that they would let our Port market it, and they never responded. We wanted to take that on, and went through Norb Wondra but we couldn't get any kind response. Keith confirmed that the port specifically requested from IP the right to market their property and The Port never got an answer from them. Donna asked if Douglas County Industrial Development was marketing it. Keith said they talked about it, and they list it on their website, but they are not marketing it, so what it takes then is they show the property if somebody inquires about it. Until then it's not actively marketed, or listed by the County.

There was more discussion on the history of requests and why IP won't respond to any of those requests to actively market that property. As well as whether or not the water area out there could be dredged if someone were to want it to be.

Charmaine will discuss this with Steve and Dennis to see if they have any concerns, then she will use the minutes and she will talk with Becky and work on incorporating the changes "as changes to the Plan", then bring it back to the board to look at again at a future meeting.

REPORTS:

STAFF REPORT:

Dock Report:

The Port Commercial Dock in Winchester Bay brought in \$2,256.92 for the month of August. Keith interjected that we have found out by talking with Becky Bryant that The Port could if they chose to, sell the Umpqua River Dock. Charmaine said Fred Wahl has asked again about it, but before she inquired she was always told by our past attorney that we couldn't sell it. That may have been because there was still money owed on it, but that is no longer the case. In order to sell it as with any infrastructure there is a process, but it's a thought. Barry said it would almost be a yes because that dock isn't a money generator. Keith agreed.

Move October meeting to Tuesday the 14th or the next week, Wed the 22nd. Steve will be out Wednesday the 15th through the 18th. It was decided the October meeting will be Oct. 22nd.

The heat pumps have all been installed and inspected. Everything looks good.

I submitted the SDAO security grant application for the monitoring cameras at the Winchester Bay dock, a determination will not be made until after November 15th which is the cutoff date for applying.

SALMON HARBOR MANAGER:

Donna: All is good in Salmon Harbor, fishing is good and the dune riders are coming in as well.

COMMISSIONERS:

Barry: A fish buyer, Dana Ferguson, who has bought product from our commercial dock recently was prosecuted for selling without a buyer's license.

Commercial Salmon fishermen can now only keep 65 King Salmon per week and are allowed to keep 20 Coho Salmon per week.

Keith: Recently at a celebration in Coos Bay and he ran into Senator Betsy Johnson, she had just returned from the Transportation meeting and she was livid about the new Transportation Commission members. Representative Caddy McKeown had also made the same comments when he saw her. It appears the new chair has made comments that her interest is to get as much money as possible for her neighborhood in Portland. He asked if Charmaine had heard anything through SWACT. The last SWACT meeting was cancelled, she hadn't heard anything.

Keith was invited to meet with the CEO of Verizon, the parent company of Jordan Cove, but due to other commitments he wasn't able to make that meeting, but will be talking to him via phone to get an update of where they are right now in their process of getting Jordan Cove approved.

Interesting week for wave development, a company called M3 has developed a homegrown system for wave energy, they had a very successful test right off Camp Rilea. It's a different kind of system than has been created by others. The military is very interested because they now have a goal that they want to see as many military bases as possible to be completely off the grid, and be self-sufficient in generating electricity.

The meeting was adjourned at 7:54

The next Port of Umpqua Regular Meeting will be held October 22, 2014 at 7:00 p.m. at the Port of Umpqua Annex building, 1841 Winchester Ave., Reedsport, Oregon 97467.

****Note: THESE ARE QUESTIONS FROM THE COMMISSIONERS WHILE SIGNING CHECKS, BOTH AT THE END OF THE MONTH, AND DURING THE CHECK SIGNING AT THE MEETING:**

Commissioner questions while signing checks at the end of the month:

Commissioner Clemens:

While signing a check from Napa where the Dock Assistant has purchased 12.80 in items for maintenance at the WB Dock Commissioner Clemens asked if there is a pre-set spending limit for the Dock Assistant or anyone else to use at the businesses that the Port has accounts with? Answer: No not that we are aware. Don't know of any policy stating a particular

spending limit. Usually the Port Manager will ok the spending when it's discussed with her. We also have a system for these types of situations. The receipt is brought to the Administrative Assistant. When the invoice comes in, that receipt is attached to the invoice and it is then given to the Port Manager for approval. If an invoice comes in and there is no receipt that is a red flag that something is amiss.

Commissioner Reese:

Is the payroll checks for the full monthly amounts? Port Mgr. and Dock Asst's are, the Admin Asst. took a draw so her check is for the remainder.

He asked about two businesses being on one check for Chambers and Reese. Explained that it was actually a requirement by Reese Electric and Trane, and was included in the contract which was approved by John Wolf, our legal counsel.

He asked if there was a DSL lease for the WB Dock. No, just the dock on the Umpqua River. We do lease the dock itself at WB from Salmon Harbor.

Commissioner questions while signing checks at the meeting:

While going over the financial statements Commissioner Train asked why the check for the HVAC system was smaller than the transfer on bank statement.

Charmaine explained we wrote two checks for the new HVAC system.

Steve Reese, President

Karen Halstead, Admin. Assistant