

Port of Umpqua

Regular Meeting Minutes
Wednesday, December 17, 2014 at 7 p.m.
Port of Umpqua Annex
1841 Winchester Ave
Reedsport, OR

THESE MINUTES ARE FINAL and APPROVED.

Commissioners Present:

President Steve Reese
Vice President Keith Tymchuk
Secretary Barry Nelson
Treasurer Donna Train
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 President Steve Reese.

APPROVAL OF AGENDA:

Item #5 was added - **Salmon Harbor Management Committee at-large position**

APPROVAL OF MINUTES:

The draft version of the minutes for November 19, 2014 was presented for approval.

Commissioner Train made a motion, 2nd by Commissioner Clemens to approve the minutes as presented. Motion passed by 3 yeah votes – Commissioner(s) Train, Reese & Clemens. Commissioner(s) Tymchuk and Nelson abstained because they were not at the meeting.

APPROVAL OF BILLS:

Commissioner Nelson moved to approve payment of checks in the amount of \$ 2,938.91 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. June 30, 2014 Annual Audit presentation: Signe Grimstad

Signe Grimstad started by saying The Port had received a clean opinion as shown on page 3.

With the sale of the building at 364 N. 4th St. there was a slight depletion in the total assets. There were no liabilities in the comparison between 2013 & 2014, because The Port has paid off all long term debt.

She then presented the Audit discussing each section.

One area that has been mentioned in the past is internal controls. With an office as small as The Port's it is important that the commissioners be involved by looking over financials and asking any questions they may have regarding financials or checks. This last year the commissioners have made it a point to ask questions when signing checks, or to stop in and ask about financial areas, and then this information is included in each month's minutes which are sent to Signe each month. Doing this has kept us from getting this opinion this year. We need to keep it up.

Commissioner Questions:

Steve: On page 8, on the statement of the revenues and expenses, our change in net position is a net profit. Should we be looking at not having a net profit at the end of the year and putting money in reserves? Signe explained that net profit reflects operations, and she doesn't consider that negative at all. Budget wise you can be putting that away, allocating so much of the funds to go into a reserve for future repairs or maintenance, or whatever plans you may have. This just reflects what monies were generated. That money is reflecting a healthy operation.

Keith: So, do we get an A on this? Signe said yes, she gave an A, stating The Port had some goals and those were met internally. They sold some real estate and they paid off their debt. So now it's time to move forward and decide what to do with the cash that is there.

Steve: Thank you very much, you've presented this as you do every year in a very understanding way, and we appreciate it very much.

- ✓ Commissioner Train made a motion to accept the 2013-2014 Audit prepared by Grimstad & Associates, 2nd by Commissioner Nelson. Vote was passed by unanimous vote.

2. Property, Casualty, Liability Insurance renewal: Debbie McKinney

Debbie and Charmaine have reviewed the policy and reported that the Port is saving about \$542 from last year. The rates have slightly increased by 2%.

There is one slight change, under liability the pre-loss deductible has increased from \$10,000 to \$25,000. What this means is if there were ever any employment issues The Port will need

to talk to Pre-Loss legal, get their council and adhere to their counsel before any actions are taken and then if something goes wrong, there will be no deductible to The Port. This is a preventative measure so that everything is in place should the need arise.

Steve: Is the hoist in Winchester Bay covered under general liability? It's covered under general liability for any actions that may result, it's also covered under property for any damage that may occur, so there are both coverages there.

There is a line for equipment breakdown, so what if our hoist died and there were boats that wanted to unload and they are going to sue The Port if they can't. Would that be covered under general liability? It depends on how the contracts with the fishermen are worded. If it says that The Port is "always" going to have the hoist available then they may have a valid issue as far as liability. Special Districts does insure The Port for any liability they have by contract. If it is stated by contract, then the fishermen would not have a case of liability. If it is determined they have a case, then The Port is protected legally.

Donna: Under the best practice credits did we meet everything that was required? No, we met all criteria except board training.

- ✓ Commissioner Tymchuk made a motion to approve payment to Special Districts Association of Oregon in the amount of \$ 13,247 for continued Property and Liability insurance as presented for 2015 to be paid from the General Fund, 2nd by Commissioner Clemens. Motion was passed by unanimous vote.

3. Main Street Façade Improvement Request for Funding

Last month Emesha Jackson approached the board explaining the Main Street Program, and requesting a donation of \$2,000. At that time Steve requested that the information and request be provided in writing, which she did.

Emesha gave a re-cap of the program for those board members that were not present at last month's meeting.

Steve: What is the theme, or are you at that point yet. Yes they are at that point, there will a training at the end of January into February with a representative from the State Coordinators office of the Main Street Program and he will work with the design committee and help finalize the ideas they are working on. The theme information will be available after that training.

Keith: Stated that the city has looked at this for a long time and Reedsport fits very smoothly within the Main Street Program. It's something that needs to be done in old town, and it's been needed for a long time.

Steve: Is this only for businesses in the old town area? No, originally and with the Urban Renewal funds it will only be for the downtown area, but now she is requesting funds and working on moving this through all three commercial districts within Reedsport.

Steve: Are the projects ranked to decide who gets the funds? That is something they will be working with the State Coordinator's office on. They will be trained on how to rank projects, approving the applications and streamlining the process of choosing what projects are accepted.

Barry: How many businesses are doing this? It doesn't seem like the amount of \$5,000 / project would allow them to do much. Keith explained that when working on a façade project it's more focused on the front of the building. New awnings, paint, and window fronts are just some of the projects they will encourage. What faces the traffic corridor is what will be worked on.

Charmaine: Is there going to be criteria for keeping the building fronts cleaned up? Emesha said that is something they will include, from cleaning up the areas to picking weeds and minimal landscaping to the curbside. The city is working on an ordinance for those businesses that have for example, old vehicles sitting in front and such.

Charmaine said The Port does have money in the budget if it is decided to move forward with this.

- ✓ Commissioner Train made a motion to allocate \$ 2,000 to the Main Street Façade Improvement Fund for middle and up town grant opportunities to be disbursed in the event all other criteria for the fund creation have been met and the proposed 'fund' to be drawn from is fully funded by additional entities.

Charmaine explained the wording of the motion where it says "fully funded by additional entities" because we still don't know how much it needs to be before its official.

Keith asked what if there is minimal amount and what is it that you have to have. Emesha said right now they have \$18,500 which is before they approach the hospital. For this program there isn't a minimal amount they have to meet before launching the program. Charmaine pointed out that included in the \$18,000 is \$15,000 from the Urban Renewal which is specifically for downtown. Emesha said it was from the Urban Renewal district, and then they are seeking additional funds to be used in the other districts of town.

Keith suggested dropping the section of the original motion that says "to be disbursed in the event all other criteria for the fund creation have been met", because it doesn't seem there is a particular criteria about a full funded amount and where it says "is fully funded by additional entities". There is no specific amount before this can continue.

Barry: He didn't feel this had anything to do with the Port District. There ensued a discussion about other funding The Port has done in the past for projects within the Port District.

Keith: He would be happy to abstain from the vote on this, because he clearly had some participation in the creation of the Main Street Program. He did say though if The Port's mission is economic development this has an economic development component to it. It's the same type of economic development as donating to the S.T.E.P. program, which The Port does every year.

- ✓ Commissioner Train revised and made a motion to allocate \$ 2,000 to the Main Street Façade Improvement Fund for middle and up town grant opportunities, 2nd by Commissioner Clemens. The motion was passed by a vote of 3-1. 3 yeah votes came from Commissioner Reese, Commissioner Train and Commissioner Clemens, one no vote – from Commissioner Nelson, and Commissioner Tymchuk abstained from the vote.

4. Douglas County Industrial Development Board: Board Position

Charmaine said the Douglas County Industrial Development Board meets in Roseburg, and she has been attending the meetings as ex-officio for The Port and Western Douglas County. They have had an official board member that represented Western Douglas County from the area in the past, most recently that was Fred Jacquot. Now that he no longer works or resides in Douglas County he is no longer qualified to be on that board. They have requested Charmaine to move from ex-officio to being an actual board member representing Western Douglas County.

She told them she would bring it to the board and whatever The Port Commissioners wanted is what she would do.

Barry: He would like her to take this position because it would put her in the forefront if something does come up, and it would be nice to have someone on the board representing us.

Steve: If you're going to be there, you should be allowed to vote.

The consensus of the board was that it would be a good thing to have Charmaine on the board of the Douglas County Industrial Development Board.

5. Salmon Harbor Management Committee at-large position

Keith said Jerry has been a terrific Port Commissioner, he is a terrific Salmon Harbor Management Committee Representative, and he would like to make a motion. Steve agreed.

- ✓ Commissioner Tymchuk made a motion to approve the reappointment of Jerry Noel to the Salmon Harbor Management Committee citizen at large as requested per letter from Harbor Manager Paul Stallard effective for the term of January 1, 2014 through December 31, 2017, 2nd by Commissioner Nelson. Motion was passed by unanimous vote.

REPORTS:

STAFF REPORT:

At the last meeting Charmaine mentioned that we may have a possible tenant. At that time it was too soon to say who it was. They have been working on the details, and the new tenant would be KDUN Radio. Charmaine introduced and thanked Blair Sneddon for coming to the meeting to answer any questions that the Commissioners may have. Chuck Contreras is the owner and locally Blair and Julie have been working with Charmaine on the specifics of a lease. The issue they are dealing with is the placement of the station's satellite dish. It is quite large, has some special needs and the only place they have for it would be in the courtyard.

There has been discussion of whether The Port would want a large satellite in the courtyard. After talking it over they think they have come up with a way to work out the placement, and then possibly put a small fence around it so that it wouldn't be completely exposed but would still allow it to do its job.

The Commissioners discussed the location of where it could be placed and it has been decided where Charmaine suggested it be placed will be completely out of the way in the courtyard.

Not sure right now when they will be moving in. They would be renting the whole Umpqua quad for \$1,300/month.

Steve: One stipulation he would like to see in the contract is that in the event of the station moving out, that the satellite dish will be removed.

The Commission gave Charmaine direction to continue to move forward with working out the details of a contract.

Charmaine pointed out that there was a projects recap in the meeting packets per Steve's request. The one project not completed was the audio/visual in the Annex.

SDAO conference for 2015 will be in February in Eugene, if any commissioners can go to even a couple of the sessions it would qualify as training for our SDAO/SDIS insurance.

There is a letter in the FYI section of the meeting binders. This is from the South Coast Ports Coalition to Representative McKeown about an issue that happened at their last meeting. The goal has always been that the ports work together and this addresses a situation where at one particular Port's meeting there were some negative things said and the recording from that meeting was then sent to some State Agencies. Now they are working on damage control. The Coalition has moved forward and accomplished so much and they were blind-sided by this. They do not want anything to stand in their way of the progress they have and are making.

Dock Report:

The Port Commercial Dock in Winchester Bay Brought in \$216.89 for the Month of November. Crabbing season started December 1st.

The SDAO Safety grant was awarded for the security cameras at the dock. Paul will work with DC IT folks to get equipment and get it installed. The grant is for \$1,000 on up to \$2,000 project.

The fence in the courtyard is finished, it looks very nice. The check to the shop class is in today's checks.

I emailed you the annual year in review and outlook from Peter Friedmann, with Ray Bucheger.

Yesterday the oyster place that is right by our dock broke loose, and Larry made some phone calls and they were able to get it back without doing any damage to our dock.

SALMON HARBOR MANAGER:

Paul was not able to attend the meeting so Donna gave the report.

Last Sunday there was a fire on one of the boats. Luckily Paul was driving by and happened to see it. The fire department was able to get the fire out, and with the owner's permission who lives out of town, they took it over to Reedsport Machine & Fabrication to have it fixed. The fire was caused by two space heaters that happened to be on inside the boat.

Paul is actively working on options to get ice in Salmon Harbor for the commercial fishermen. There are a couple of options he is working on, and he wanted The Port to know it's something he is working on.

COMMISSIONERS:

Barry: Gold Beach had requested other ports to write letters showing their support that a ruling on Black Cod Fishing should not be put in place. Barry did some research and spoke to people he knows that fish Black Cod and he found that there has been a new federal ruling regarding Black Cod fishing, and writing that a letter will not do any good. The federal people have already made up the rules about this. Apparently they took a survey during the summer in a couple of locations and they found that there were no Black Rock Cod. In talking with Terry Thompson who fishes for these, he said these are strictly a winter fishery. They are never caught in the summer, which shows the flaw with the way the rule came about. Regardless the rule has been made.

Keith: The State Land Board has decided they will not sell the Elliot, beyond that they have not yet decided how they are going to generate revenue off the Elliot that they are constitutionally required to, to fund public schools.

Wyden's Forest Plan is going nowhere. Keith isn't sure what that means for Oregon and Northwest Forests. Clearly there is a need.

Representative Caddy McKeown will be appointed as the chair of the House Transportation Committee. That's very good news for the south coast.

Today he attended his first meeting as a member of the board for the South Coast Community Fund in Coos Bay. The topic was the distribution to the school districts of the South Coast. The first dollars from the Jordan Cove facility will not be generated until completion, and probably will not impact the school years until 2018. The goal is going to be to receive Jordan Cove dollars for 19 years. For those 19 years they will be contributing to two funds, the South Coast Community Fund which is for the school districts, and the other is the Downtown Waterfront Fund, and it basically goes to North Bend/Coos Bay for revitalization of their downtown waterfront area. It looks like over those 19 years Jordan Cove will put \$102,000,000 into the South Coast Community Fund. The question the group will need to figure out is how much of that money will get spent, and how much will be put into an endowment so that at the end of those 19 years there is a large endowment that will perpetuate.

The meeting was adjourned at 8:30 p.m.

The next Port of Umpqua Regular Meeting will be held January 21, 2015 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 BEFORE THE MEETING:**

Donna: While looking over the monthly financial reports she asked about a specific deposit and where it came from. It was our County Tax deposits.

Steve Reese, President

Karen Halstead, Admin. Assistant