

Port of Umpqua

Regular Meeting Minutes
Wednesday, April 20, 2016 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 Lee Bridge
Asst. Secretary Carey Jones

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:

The agenda was approved as presented.

APPROVAL OF MINUTES:

The draft version of the minutes for February 17, 2016 was presented for approval. Commissioner Tymchuk made a motion, 2nd by Commissioner Jones to approve the minutes as presented. Motion passed by unanimous vote.

The draft version of the minutes for March 16, 2016 was presented for approval. Commissioner Jones made a motion, 2nd by Commissioner Tymchuk to approve the minutes as presented. Motion passed by yes votes from Commissioners-Nelson, Reese, Jones & Tymchuk. Commissioner Bridge abstained as he did not attend the March 16, 2016 meeting.

APPROVAL OF BILLS:

Commissioner Tymchuk made a motion to approve payment of checks in the amount of \$5,415.42 to be paid out of the General Fund, 2nd by Commissioner Jones. Motion passed by unanimous vote.

PUBLIC COMMENT:

Jonathan Wright, Reedsport City Manager:

The ballot information that was recently sent out did not include any information about the city's ballot measure for a seasonal .03/gallon gas tax. He handed out information (included in the on-line packet), that had been approved by the state. It explained the proposed seasonal gas tax would only be in effect from May through October. The hope is to capture revenues during the busy season to help fund work on levee certification as well as infrastructure upgrades to the levee and needed street repairs. It was emphasized the proceeds will not go toward wages, nor anything other than streets, levee repairs and the equipment needed to perform those tasks.

REGULAR BUSINESS:

1. Health, Vision and Dental Insurance renewal

Debbie McKinney and Charmaine had researched in detail potential insurance policies for The Port Commissioners to consider. Three options were presented, which included renewing with the current MODA plan and a plan offered by Special Districts Insurance Services (SDIS). The recommendation was to go with SDIS for vision and medical. SDIS uses Regence BlueCross/BlueShield as their plan administrator. For dental the recommendation is to continue with Pacific Source Advantage, whose premium has gone down for the second year in a row.

- ✓ Commissioner Tymchuk made a motion to approve the Proposed Employee Health, Vision and Dental renewal plans with SDIS for health and vision and to continue with Pacific Source for Dental as submitted, 2nd by Commissioner Jones. Motion was passed by unanimous vote.

2. Ice Machine Project

a. Consider approval of Ice Machine project

This business item contains four areas that the Commissioners needed to review and if they were agreeable, make decisions on them.

The first item was to decide if The Port was going to proceed with the Ice Machine Project after reviewing the research and Pro Forma Financial Analysis that had been conducted by BST Associates.

Highland Refrigeration originally configured how the project would need to be setup. As required by public contracting law, requests for bids were sent to two other ice machine vendors, PermaCold and NorthStar. In the request they were also asked if there were any

recommendations or suggestions from PermaCold or NorthStar that differed from the original configuration from Highland Refrigeration.

PermaCold did show interest in the beginning, but then decided they couldn't meet the project objectives and chose not to bid. NorthStar initially stated they were interested but never made any additional contact.

That leaves Highland Refrigeration and that is who The Port will go with once a contract is approved. Carrie Connelly who is with Speer Hoyt and specializes in public law, provided The Port with a contract that was then sent to Highland Refrigeration. Upon receiving this contract Highland responded by saying that the contract had not taken into account Highland Refrigeration's terms and conditions of sale that governs their quotation and therefore it is now under review by their attorney.

Carrie has advised that the board go ahead and approve the proposed contract as presented or with minor changes as approved by Port's Counsel. The board could even go as far as approving the execution of the contract, thereby authorizing the board chair to go ahead and sign it. This approved and signed contract will then be forwarded onto Highland. By doing this it will give Carrie the leverage needed for her to review any potential changes Highland may send back. If they are substantial then the revised contract would come back to the Commissioners for approval.

There was discussion about the costs presented in the budget for the Ice Machine Project (this is included in the on-line packet), and what items did or did not show dollar amounts. Some of the costs aren't known at this time including what it'll cost for the cement slab or any permitting fees that may be required.

The question of whether the project cost may get high enough it would require Bureau of Labor & Industry (BOLI) wages for the cement slab portion that Salmon Harbor has offered to do as part of their contribution to the project. Paul will check into this. If it does require BOLI wages then that portion will need to go out for bid.

Steve: Are there configuration plans for the electrical work that is going to need to be done and that The Port could include when the electrical work requests are sent out for bid? No, Lighthouse Electrical took a look at what it would take to set it all up and they spec'd it out. Steve pointed out that the budget will most likely need to include electrical engineering fees.

- ✓ Commissioner Tymchuk made a motion to approve the Ice Machine Project and direct the Port Manager to continue with contracts and agreements to complete the project, 2nd by Commissioner Bridge. Motion was passed by unanimous vote.

b. Consider approval of Highland Refrigeration contract

- ✓ Commissioner Tymchuk made a motion to approve the contract with Highland Refrigeration for the Ice Machine, auger, startup and test run in the amount of \$81,380, contingent upon contract approval by Highland Refrigeration and The Port Attorney, and

authorize the Port Manager to execute approved contract on the Board's behalf and to advance 50% down payment which is due with the order per terms of the contract, 2nd by Commissioner Bridge. Motion was passed by unanimous vote.

c. Consider approval of PacVan contract for reefer container

- ✓ Commissioner Tymchuk made a motion to approve the purchase agreement with Pac-Van for the Reefer container as described in the agreement in the amount of \$9,100 and authorize the Port Manager to execute approved agreement on the Board's behalf, 2nd by Commissioner Bridge. Motion was passed by unanimous vote.

d. Consider Intermediate Procurement - Request for Quotes for Electrical Work

- ✓ Commissioner Tymchuk made a motion to authorize the Port Manager to submit a request for quotes (RFQ) for a qualified electrical contractor for the Ice Machine Project, 2nd by Commissioner Bridge. Motion was passed by unanimous vote.

3. Update on Douglas County/Salmon Harbor use of Central Services

In the meeting binders were several e-mail discussions and letters that have gone between Salmon Harbor and the Douglas County Commissioners regarding the county's decision to charge Salmon Harbor for the use of County Central Services.

Charmaine: The Army Corp of Engineers (ACoE) have also provided information that shows how much The Port and the state have made in contributions toward dredging in Salmon Harbor since 2001. (This is all included in the on-line packet).

Paul: There was a meeting between Salmon Harbor and County Commissioner Chris Boice, Port Commissioner Jones also attended. Salmon Harbor wanted to let Commissioner Boice know that a letter had been comprised and was being sent in response to the County's direction for Salmon Harbor to budget \$41,000 in the 2016-2017 budget and \$83,000 in the 2017-2018 budget for use of County Central Services. The letter explains how detrimental these charges will be to any future planned capital improvements in Salmon Harbor. The funds that had been saved over the last 10 years and were to be used for the improvements would instead have to be used to pay the County for services they've never been charged for in the past.

During the meeting Paul explained to Commissioner Boice that items such as this increase have always been discussed during the joint meetings. During the last joint meeting Salmon Harbor explained how they had just learned about the garbage rate increases and were able to increase the rates for the new budget to be able to recoup those costs. With the short notice of this new charge from the County there was no time to re-evaluate the moorage rates that had just been increased, and change the rates on tenants who have already paid, or future reservations that had already been made.

Commissioner Boice agreed it would be tough to change the rates this year. He said he would go back and talk with Jessica, the Douglas County Deputy Finance Officer and recommend

that Salmon Harbor be given an additional year before adjusting the budget to accommodate the new charges.

Keith: Commissioner Boice left the impression that this would be delayed a year, then after that year would it be an incremental situation of budgeting \$41,000 the first year and then \$83,000 the next?

Charmaine stated she had received an e-mail from Douglas County Commissioner Susan Morgan that indicated her intention has always been to phase these charges in over a 2-3 year period.

Carey: Commissioner Boice left the meeting giving the impression he would take information back to the county, but he couldn't speak for the other two Commissioners. He also indicated that if it wasn't implemented in this year's budget, then it would be a charge for the full amount of \$83,000 next year.

Charmaine: Yesterday at the Douglas County Industrial Development Board (DCIDB) meeting it was announced that there was a change in DCIDB'S budget which would've already been approved the previous month. Douglas County Commissioners had taken \$45,000 from the DCIDB fund and had transferred it to the Douglas County Fair fund. Charmaine checked on it and confirmed that this was correct.

Paul: Douglas County has told Salmon Harbor to raise their rates. There is no way that raising the rates will recoup \$83,000 per year. The Salmon Harbor Management Committee (SHMC) are going to look at all of their options. First, Douglas County needs to itemize the services and how they have come up with the amount of \$83,000. Unfortunately implementing this charge will require Salmon Harbor to eliminate some important improvement projects and possibly eliminate a position in the maintenance department.

Donna Train: At the meeting she told Commissioner Boice she had an issue with the fact that the Douglas County Commissioners had not brought this up at the joint meeting, nor was it ever mentioned or discussed with Tom Huebner, who is the Douglas County Representative on the SHMC. Salmon Harbor was told they would have to pay these charges without any prior notice and were expected to have it added to their budget within a week. The County also informed Paul if he didn't budget for this, The County would just take it out of Salmon Harbor's General Fund. It was also noted that Commissioner Boice has not attended any of the SHMC meetings until last week.

Donna tried to point out to Commissioner Boice what The Port has contributed to Salmon Harbor and his response was that The County just looks at the bottom line.

The dredging isn't listed at all in any of the numbers the county is looking at. There is no consideration of the importance of the dredging and what it takes to get it. If there weren't dredging it would affect the Commercial Fleet, the Sport fishermen and more importantly the Coast Guard would not be located in Winchester Bay.

4. Ratify Letter of Support for Coos Bay Rail Link grant application

Keith pointed out that these are dollars that will be spent elsewhere if the Port of Coos Bay doesn't receive them for the Coos Bay Rail Line.

- ✓ Commissioner Tymchuk made a motion to ratify the letter of support for FASTLANE grant application by the Port of Coos Bay for the Coos Bay Rail Link, tunnel rehabilitation, 2nd by Commissioner Bridge. Motion was passed by unanimous vote.

REPORTS:

STAFF REPORT:

Dock Report:

The Port Commercial Dock in Winchester Bay Brought in \$6,149.02 for the Month of March.

Annual ACoE dredging report meeting will be here Wednesday April 27th 3:30 in our conference room. This is not a public meeting, you are encouraged to attend if you want to ask questions or just get updated. If you want to attend, please just let me know so I can notify if there is going to be a quorum of the board.

The Department of State Lands is about to file – with the Secretary of State - the draft rule (Division 93) creating a new General Permit for navigational access maintenance dredging. This will officially kick off the 30-day public noticing and review period. The draft rule will be available for public comment from May 1 to May 31. We've also scheduled three public hearings in that time to take comment: Bandon May 26th from 5PM to 6PM.

This is in regards to the general permit for maintenance dredging so each project will not have to submit individual permit applications. It is the desire of some, to replicate or add to this permit to the Army Corps of Engineers permit application. The ACoE is considering the possibility.

Propane price comparisons between Bassett-Highland and Salmon Harbor. There is a document in the binders that shows the comparisons. (This is included in the on-line packet). This was questioned at one of our recent meetings.

When the electrical work was done for the new business next door, The Donut Hole, some of their masts were put on the side of The Port building. Charmaine has looked into this and notified the tenant.

Manager Reviews, who has not returned to Steve?

Join SDAO Consulting Services Administrator George Dunkel for an ethics training. Management staff and board members will benefit from this overview of ethics laws governing Oregon's special districts. Time: 1pm-4pm. Cost: Free for SDAO members. This is eligible for a Best Practices credit. It will be in Florence Friday April 29th from 1:00 to 4:00. If you want to attend this, please let me know so I can register you.

SALMON HARBOR MANAGER:

Paul: Met with Gary Groth, the Douglas County Parks Director. Gary went out and inventoried all of the danger areas on the crabbing pier in Winchester Bay. The plan is to replace all of the rotted tie rails and cross members, with Salmon Harbor providing labor through Shutter Creek and The Parks Department is providing funding for this project. It should take about 3 days to complete.

Steve: What is the status of getting the cracked and broken cement on the Winchester Bay Port Dock fixed? Paul is in contact with a gentleman who is part of the Pacific Coast Congress (PCC), and when this guy is down this way he will take a look at it.

S.T.E.P.:

All of the baby fish were counted and vaccinated last Wednesday. There are 69,500 fish this year. Fin clipping is scheduled for May 15-17.

Plan to release around 140,000 fish into the bay in June. They also plan to release a few of the fish into the stream that goes out of the hatchery from the lake water. They have had a few females come there in the fall so S.T.E.P. is going to try to establish a run in that creek.

COMMISSIONERS:

Keith: Complimented Jonathan and Fred Wahl Marine for working to establish programs for high school graduates. This is a very good thing for Reedsport, and to teach our kids to work hard and work well.

Steve: Has seen a portion of the Fred Wahl Marine video and it is excellent.

The Port Commissioners went into Executive Session at 8:10.

EXECUTIVE SESSION:

**Pursuant to ORS 192.660 (2) (e) Regarding Real Property Transactions
Pursuant to ORS 192.660 (2) (f) to consider information or records that
are exempt from disclosure by law including written advice from attorney**

The Port Commissioners came out of Executive Session at 9:28.

President Reese said that staff and counsel were to proceed as directed.

The regular meeting was adjourned at 9:30 p.m.

The next Port of Umpqua Meeting will be May 18, 2016 starting with the Budget Meeting at 6:00 p.m., followed by the Regular Meeting starting at 7 p.m. Both will be 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:**

3/31/16

Commissioner questions from check signing at end of the month to be included in the April minutes:

Carey: Who are Gage Enterprises? They are the folks who originally installed the fire system in the building and they didn't dis-alarm the monitoring panel when they turned it off, the panel kept going off randomly so they came over and disabled it.

Carey: On the check to Reedsport Machine & Fabrication, it says for a motor cover, what motor was it for? The Hoist.

Steve: Is AT&T for just 2 lines? It's in dispute right now, the salesman told Charmaine if she purchased 2 more phones when getting one for new Dock Assistant Eric Boe, that she would have a specific rate. That has turned out to not be the case. We are paying it so it won't be late and she will continue dealing with them to get the credit back.

Steve: Who is Gage Enterprises? They are the folks who originally installed the fire system in the building and they didn't dis-alarm the monitoring panel when they turned it off, the panel kept going off randomly so they came over and disabled it.

Steve: Pacific Source – What insurance is that for? That's our dental insurance.

Steve: Pacific Source – Do they cover vision too? No that's part of our medical insurance with MODA.

Questions from check signing at the 4/20 meeting:

Carey: No questions

Steve: What is the check to Port of Bandon for? That is a contribution we make to help pay for the Washington D.C. trip where they lobby for dredging.

Steve: MODA is that the insurance you were talking to Debbie about? Yes.

Steve Reese, President

Karen Halstead, Admin. Assistant