

Port of Umpqua

Regular Meeting Minutes
Wednesday, June 21, 2017 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
Treasurer Lee Bridge
Asst. Secretary Carey Jones

Commissioners Not Present:

Secretary Barry Nelson

Port Staff Present:

Port Manager Charmaine Vitek
Administrative Assistant Karen Halstead

NOTE: All items handed out at the meeting are available for view in the June 21, 2017 meeting packet.

Proceedings: The meeting was called to order at 7 p.m. by President Steve Reese.
There was a quorum of Commissioners present for this meeting.

Steve: Asked that everyone remain standing after the pledge of allegiance, to join him in a moment of silence in remembrance of former Reedsport City Councilor and local volunteer Diane Essig. Diane recently passed away. Steve and Keith both reflected upon Diane and what a vibrant, positive person she was.

APPROVAL OF AGENDA:

There were no changes to the agenda. Commissioner Tymchuk made a motion to approve the agenda as presented, 2nd by Commissioner Bridge. Motion was passed by unanimous vote of the quorum.

APPROVAL OF MINUTES:

The draft version of the minutes for the May 17, 2017 budget meeting was presented for approval.

Commissioner Bridge made a motion, 2nd by Commissioner Tymchuk to approve the minutes as drafted. Motion passed by unanimous vote of the quorum.

The draft version of the minutes for the May 17, 2017 regular meeting was presented for approval.

Commissioner Bridge made a motion, 2nd by Commissioner Tymchuk to approve the minutes as drafted. Motion passed by unanimous vote of the quorum.

APPROVAL OF BILLS:

Steve: Asked if the container at the ice machine was up and running. Yes, the work is done and it is working well.

Steve: When is the painting contractor going to start? He is scheduled to start at the end of the month.

Commissioner Tymchuk moved to approve payment of checks in the amount of \$9,608.66 to be paid out of the General Fund, 2nd by Commissioner Jones. Motion was passed by unanimous vote of the quorum.

PUBLIC COMMENT:

There was none.

REGULAR BUSINESS:

1. Fiscal Year 2017-2018 Budget -

a) Receive Public Comment:

Charmaine:

There were no changes proposed to the Budget by the Budget Committee on May 17, 2017.

I recommend approval of Resolution 17-02 adopting the budget, making appropriations, imposing and categorizing the tax for Fiscal year 2017-2018. The Resolution was prepared to reflect the budget as approved by the Budget Committee and per Oregon Budget law.

After the budget is approved by the Budget Committee and prior to July 1st, the Commission has the authority to adjust resources and expenditures.

However, there are limitations:

- Taxes may not be increased over the amount approved by the Budget Committee.

- Estimated expenditures in a fund cannot be increased by more than \$5,000 or 10% whichever is greater.

Neither of the two limitations can be exceeded without first publishing a revised budget summary and holding another budget hearing.

The Budget must be adopted by June 30, 2017.

Steve: Declared that the Port was exiting the regular meeting and opened the Public Hearing for the Budget for fiscal year 2017-2018.

It was asked if any Commissioners wanted to declare a conflict of interest. There was none.

It was asked if there was any opposition to the proposed budget from anyone else present. There was none.

It was asked if there was testimony in favor of the proposed budget:

Keith: Speaking as a citizen of the taxing district and not as a Port Commissioner he did indeed support the proposed fiscal year budget.

The public hearing was then closed and The Port resumed its regular meeting.

b) Adopt the 2017-2018 Fiscal Year budget:

- ✓ Commissioner Jones made a motion to adopt the 2017-2018 fiscal year budget as presented and approved by the Port of Umpqua Budget Committee, 2nd by Commissioner Bridge. Motion was passed by unanimous vote of the quorum.

c) Adopt Resolution 17-02:

- ✓ Commissioner Tymchuk made a motion to adopt Resolution 17-02 adopting the budget in the amount of one million, six hundred seventy nine thousand, seven hundred twenty six dollars (\$1,679,726.00) making appropriations, imposing and categorizing the tax for fiscal year 2017-2018, 2nd by Commissioner Bridge. Motion was passed by unanimous vote of the quorum.

2. Workers Compensation Renewal – Debbie McKinney:

Workers compensation renewal with Special Districts is approaching July 1st. Special Districts has always been who The Port has used for their Workers Compensation. The rates are slightly lower this year.

Keith: It seems as if The Port never has an increase in this, why is that?

Debbie: Special Districts, The Ports and other entities involved, all do a good job keeping claims down and have good risk management. It was her recommendation to accept this renewal.

- Commissioner Tymchuk made a motion to approve the workers compensation renewal for the 2017-2018 fiscal years with Special Districts of Oregon in the amount of \$985.56, 2nd by Commissioner Jones. Motion was passed by unanimous vote of the quorum.

3. Staff Salaries:

Charmaine: The budget was approved with the proposed rate increases within that budget. She requested and recommended that the Commissioners approve the salary increases being presented.

- Commissioner Tymchuk made a motion to approve the wage and salary increases as requested by the Port Manager, 2nd by Commissioner Bridge. Motion was passed by unanimous vote of the quorum.

4. PNWA annual membership dues:

Charmaine: Highly recommend that The Port continue to be a part of PNWA, who is a very influential organization. They are The Port's Federal advocates who will and are currently fighting for The Port's continual need for dredging.

- Commissioner Bridge made a motion to approve Pacific Northwest Waterways Association annual dues in the amount of \$640.00 to be paid from the General Fund, 2nd by Commissioner Tymchuk. Motion was passed by unanimous vote of the quorum.

5. Repair or Replace floating dock in Winchester Bay, proposals:

Charmaine: Discussion has been going back and forth for a while on whether it would be best to repair the floating dock below The Port's hoist in Winchester Bay, or to replace it altogether. Repairing it would eliminate the need to go through any permitting that replacing it would require.

Representatives from various companies who deal in dock repair/replacement have taken a look at what work would be needed and the consensus has been it would be more cost effective to replace the whole dock vs. trying to repair it.

In contacting the Army Corp of Engineers (ACoE) about what permitting will be required Charmaine learned that once you submit a permit with ACoE, it also becomes a permit with the Department of State Lands. After the initial permit process is started the ACoE will contact the many other agencies who need to be notified.

Charmaine is not asking for a motion on the replacement work at this time. She is asking that the board approve that she engage Jack Aiken with EMC Engineering. He has been working with both the North and South Coast Ports to get their permitting for marina dredging. He is very knowledgeable in all aspects of the different agencies and he knows many of the representatives from these agencies on a personal level.

Based on his relationship with the South Coast Ports Jack charges \$100/hour as opposed to his usual rate of \$145/hour. What is most advantageous with using Jack is that most of the specific information he will need for The Port's Dock permit is information he already knows from working on Salmon Harbor's Dredging permits.

The Port is not ready to make a motion on any dock repair bids quite yet. Charmaine has received bids from Bellingham Marine and PNP but the requirement is to have 3, so she contacted Cesar Gallardo who has worked with the other two companies. In fact the companies actually all work together on the different aspects of new docks. Each offer different materials for the docks, from wood and cement to high-density polyethylene (HDPE) which is a plastic type material used to make dock out of.

Paul: After the permitting process is complete it won't take long to get the actual work done. One company that came and looked at the project said once they were given the go ahead they would be able to get the project delivered, assembled and ready to use in 3 days.

Charmaine requested and received direction from the board to move forward gathering information and with help from Paul she will bring back recommendations on what will be the best product for this area, The Port and the commercial fishing fleet.

6. Engineering Consultant permitting assistance:

Charmaine: This motion gives her the direction from the board to use the services of Jack Aiken.

- Commissioner Tymchuk made a motion to approve engaging the Consulting services of EMC-Engineers/Scientists LLC to assist in the permitting process for the replacement floating dock at \$100 an hour not to exceed \$5,000, 2nd by Commissioner Bridge. Motion was passed by unanimous vote of the quorum.

Keith: After the motion he brought up the subject of the Umpqua River Dock. He feels it would be a good idea to consider approaching Fred Wahl to see if The Port and Fred could come to an agreeable sale price. The money from the sell could be rolled into taking care of the Winchester Bay Dock. The Umpqua River Dock isn't of any great value without having the property next to it.

There was discussion of past offers from Fred Wahl to trade property for the dock. Steve and Keith, who are authorized by The Port to discuss real estate transactions have agreed to approach Fred Wahl about buying the dock after a ball park dollar amount is figured out based on what The Port has invested in to the dock.

Carey: Does not agree that The Port should sell any of their assets and will fight selling the dock.

Keith: Will follow up with the Commissioners to update them on how the conversation turns out with Fred.

7. Salmon Harbor IGA

Steve: Referred to the latest revised version of the IGA document. Stated that his preference would be to eliminate all of the reference of the management of Salmon Harbor, especially with Salmon Harbor being so self-dependent.

The one thing that bothered Steve was section 2.2 – Composition: The County has requested that the Salmon Harbor Management Committee (SHMC) be changed from a 3 person committee to 5 person. The change would add 2 additional County appointed members. This would give the county 3 representatives total. This would not be equal in the representation with the county have a majority.

Chris: Explained why the county was requesting this. The reason being that over the years The County has been much more financially invested in Salmon Harbor than The Port, and The County feels they are very committed to the future expansion of the RV Park.

There is no money coming back to the county who owns the property. The county originally invested 2 million dollars to give Salmon Harbor a kick start to make the changes that would help it be self-sufficient. At that time the county could afford that. Now they cannot and are looking to get some kind of return on what they feel is their investment.

When the composition of the board was originally decided upon, it was believed that The County and The Port would make equal investments but, that hasn't been the case. The County feels it's been more like a 10:1 ratio. With all of that said the county feels they should have representation equal to their ownership and contributions to Salmon Harbor.

Now there is discussion of the RV expansion and The County plans on making a large investment in that project with the intention of getting a return. Their investment appears to be much more than what The Port will be investing. That is why The County feels it would be fair to have 3 representatives on the SHMC based upon the amount they have invested to give The County more control of the operation and management of Salmon Harbor.

There was discussion between the Port Commissioners and County Commissioner Chris Boice on the differences of opinion on the change to the SHMC and whether or not the number of representatives should be based on monetary contributions.

Paul: When he first started in 1995 there was an issue with deferred maintenance. An inventory was done on the whole facility and when it was complete Salmon Harbor then went to Doug Robertson and told him Salmon Harbor was going to shut the whole facility down. Doug said that was not going to happen and decided that all of the safety issues would be taken care of. The County then started giving to Salmon Harbor to help pay for these problem areas.

When the idea came about for the RV Resort, it was decided that money from the RV Park would be used to take care of this deferred maintenance. There was 40 years' worth of

maintenance needed. If you were to add up all of the capital that Salmon Harbor has reinvested into that maintenance it comes to 12 million dollars.

Looking at the IGA, in the beginning it was The Port doing the jetty systems through the ACoE. The RV Resort would not have been possible without that work because of the flood plains.

There is a statement in the IGA that says any monies generated by Salmon Harbor need to go back into the facility. Marinas are very expensive and if the funds no longer go back into the facility maintenance, Paul is worried about how he will be able to save any money for the projects that need to be done.

Chris: All of the intentions up to this point have been to invest into Salmon Harbor to get it to a place where it can sustain itself without expecting any return. Now, the investment is into something that will provide a return.

Paul: The original idea for the expansion to the RV Resort on the spit was to allow Salmon Harbor to be able to recoup the costs for central services which were originally going to be about \$84,000 per year. Now its \$116,000 and those dollar amounts are going to continue to grow. He knows Salmon Harbor must pay their part. Another concern he has is removing a definition from the IGA that says that any monies that Salmon Harbor makes needs to be put back in. I've seen how bad Salmon Harbor was without maintenance and they have worked our way out of that.

It was decided that the Port and Port Legal Counsel, the County Commissioners, CEO and County Legal Counsel along with Paul would have a meeting to find a solution that is agreeable with all entities.

REPORTS:

STAFF REPORT:

The Port Commercial Dock in Winchester Bay Brought in \$387.00 for the Month of May 2017.

The refrigeration compressor has been installed and is working very well. We've invoiced \$1,200 for ice for May which is still outstanding. So total revenue from ice through May is \$6,957.00.

Going to be out the week of July 9th through 15th.

Dredging Update:

Updates have been sent to the Commissioners letting them know that the Port of Umpqua was zeroed out for dredging for 2017. This was completely unanticipated and unexpected. Charmaine has spoken to Kate Groth, ACoE Project Manager for the coast and she says she does not know what happened.

Charmaine has been working with everyone she can think of who can help, Commissioner Tymchuk has also sent notes to Federal Delegates that he knows.

The ACoE can provide some monetary help but it's not nearly enough to cover what is needed. Kate has been working diligently on what she can, and Charmaine has been in close contact waiting to see what she can do. Charmaine has been told to hold off on contacting other people for support just yet.

Tuesday Kate made an official request to the State of Oregon for funding. About 3 or 4 years ago the state and ACoE entered a memorandum of understanding that allowed the ACoE to use funding from other sources. That was used for Umpqua dredging.

There is 2.5 million left in that fund, and that is what money the State is being requested to use from the ACoE.

So far there has been no word from any of the sources Charmaine has contacted on whether the State has approved the request or not.

Charmaine is concerned. She has been advised by Dave Harlan to not contact the State, the Coastal Caucus or the Governor's Office just yet. If the time comes that she does need to make contact there are people already prepared to work with her on this but, she doesn't want to make contact if she doesn't have to.

SALMON HARBOR MANAGER:

Salmon Harbor has received a grant for \$4,000 that was used to seal the whole West Launch area and have it striped. It looks really good.

S.T.E.P.:

Deb: Planning on fin clipping trout and then a couple of days later they will release about 3,200 trout into Lake Marie.

S.T.E.P. made a presence at the Chainsaw Carving contest and were able to sign up some new people interested in helping.

COMMISSIONERS:

Carey: The City approached the Chamber of Commerce and requested \$60,000 to help with the fish cleaning station project. The Chamber had not budgeted for that so they were able to give \$20,000 and told The City to come back in next fiscal year.

Deb Yates, Fish Clean Station rep.: This is her project and the Restoration and Enhancement division of ODFW were to have funded the project this September but, they forgot to put the money into the grant money account so there is no money to grant during this cycle. Now it won't be until January 2018 when the grant request for the fish cleaning station can be submitted.

Keith: A company that does Aquaculture fish growing and processing has contacted the people at Industrial Harbor who own the Reedsport Commerce & Technology Park in Gardiner. Industrial Harbor is interested in moving forward with this.

Carey: Recently spoke to the new owners of what used to be Umpqua River Navigation and their plan is to open up the weighs so they can pull boats up and then they will provide boat storage both inside, and outside. For boats being stored outside they plan to shrink wrap them before storage. They have already secured clients from as far away as Nevada.

The meeting was adjourned at 8:22 p.m.

The next Port of Umpqua Regular Meeting will be held July 19, 2017 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:**

5/31/17:

Commissioner questions from check signing at end of the month to be included in the June 21, 2017 minutes:

Barry: Questioned the sheets that show balances for items electronically transmitted. I.e. Federal Taxes, Oregon Taxes & Nationwide.

Steve: Asked about where checks to the World go. The owners are out of Ohio. Checks were signed by Commissioners Nelson and Reese.

Questions from check signing at the June 21, 2017 meeting:

Commissioner Questions regarding bills from the meeting:

Carey: No questions.

Steve: No questions.

Checks were signed by Commissioners Jones and Reese.

****Before the approval of the bills for June – Commissioner Reese asked:**

Steve: Is the Port's ice container running good now?

Charmaine: It is running just fine now.

Steve: Where are we with the paint contractor who was chosen to paint the Winchester Buildings?

Charmaine: He will be starting the job on Monday.

Steve Reese, President

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Karen Halstead, Admin. Assistant

Minutes – June 21, 2017
Recorder – Karen Halstead