

Port of Umpqua

Regular Meeting Minutes
October 21, 2020 at 7 p.m.
Port of Umpqua Annex
1841 Winchester Ave
Reedsport, OR

THESE MINUTES ARE FINAL and APPROVED.

Commissioners Present:

President Keith Tymchuk
Secretary Barry Nelson
Treasurer Lee Bridge

Commissioners Not Present:

Vice President Carey Jones
Asst. Secretary Deanna Schafer

Port Staff Present :

Port Manager Charmaine Vitek
Administrative Assistant Karen Halstead

NOTE: All items handed out at the meeting are available for view by request.

Proceedings:

The meeting was called to order at 7 p.m. by President Keith Tymchuk.
It was noted that a quorum of Commissioners was present for this meeting.

APPROVAL OF AGENDA:

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

APPROVAL OF MINUTES:

Commissioner Nelson made a motion to approve the meeting minutes from September 16, 2020 as drafted and presented, 2nd by Commissioner Bridge. Motion passed by unanimous vote.

APPROVAL OF BILLS:

Commissioner Nelson moved to approve payment of checks in the amount of \$9,468.46 to be paid out of the General Fund, 2nd by Commissioner Bridge. Motion passed by unanimous vote.

PUBLIC COMMENT:

There was none.

REGULAR BUSINESS:

1. Audit Presentation – Grimstad & Associates – Signe Grimstad (via phone)

Signe started by saying that The Port, as it has for many years, received a clean opinion. It was a straightforward year, compared to what is actually going on, The Port did well. Signe walked the Commissioners through the audit, stopping for any questions along the way.

Keith: The Port had a decline in net invested in Capital Assets of \$47,690, was that through depreciation?

Signe: Yes, that represents depreciation. The total number (rounded) was \$57,000 but The Port booked an improvement, the work on the roof for \$9,000, that is how it netted down to \$47,000.

Signe: The economic outlook for The Port is nice to see, with the process of dissolving the IGA with Douglas County, The Port is now looking at the potential purchase of property in Winchester Bay. This shows that The Port is looking forward at future opportunities.

Financially The Port is very healthy and in a good position with the cash holdings that will allow The Port to take advantage of any possible future opportunities that come up. As far as compliance for Oregon Standards, this audit was clean. If she were to give The Port a grade, The Port of Umpqua would receive a solid A.

- **Commissioner Bridge moved to receive the Fiscal Year 2019-2020 Audit prepared by Grimstad & Associates, 2nd by Commissioner Nelson. Motion passed by unanimous vote.**

2. Salmon Harbor Project – Update:

Charmaine and Keith: Updated the Commissioners on the progress so far to move forward on a lease between The Port of Umpqua and Mike Babcock, Oregon Seafoods.

Charmaine: Legal Counsel for Douglas County, Paul Meyer, provided The Port's Legal Counsel with a lease template. This is the template that Salmon Harbor uses for their leases. Port Legal Counsel then modified the template per The Port's requirements to create a lease for Oregon Seafoods. This new lease is now back to Paul, and once it has his approval Charmaine will provide the document for the Commissioners to approve.

Charmaine explained that the lease is going through The County because it will be The County who initially enters into the lease with Mike until The Port actually owns the property, once the property transaction has been finalized this lease will then come back to The Port.

Decisions that need to be made soon are:

1. The length of the lease, Mike would like it to be for 99 years.
2. The amount of the lease.

Keith had asked Charmaine to contact other ports to get an idea of what they are charging for their leases. The rates returned to her range from .02 per square foot to \$1.25 per square foot. One thing to think about will be the cost The Port will be paying out to have utilities brought onto the property. These utilities will include electrical service with Central Lincoln PUD, water, and sewer from the Winchester Bay Sanitary District (WBSD) and Internet.

Keith: Explained that Mike will be leasing just the land underneath the building he plans to put in. So far, out of the issues that have come up, it appears that bringing in water will be a relatively simpler issue compared to some of the other utilities. Ray from WBSD discovered that there is already a sewer line running right down the middle of the spit. There will be some costs involved to have the sewer setup to go to Mike's building and to put in an interceptor and a screen to catch some of the materials that occur with processing, Mike has said he would probably cover these costs.

Keith discussed the sewer with Jim Zimmer and found that Salmon Harbor already has a pump station that The Port can access. The Oregon Seafood plant will create a lot more material that will run through that pump station which in turn is going to cause more wear and tear. Keith suggested that The Port purchase a rebuilt pump to have in place as a backup in case one of the existing pumps were to fail. Ryan Sullins estimated that a rebuilt pump would cost somewhere around \$5,000. Charmaine added that Mike had a concern regarding the System Development Costs to get his building hooked up to the WBSD which will be around \$10,000.

To get electricity installed will require moving an existing transformer, PUD has estimated the cost for that is going to be about \$48,000.

Keith pointed out that ports are in the business of acquiring and developing property. Our Port happens to have someone wanting to move onto the property right away, otherwise The Port would be developing the land for potential future use. Keith felt that the electrical costs should be incurred by The Port of Umpqua and looked at as an investment into good infrastructure.

Mike would like to break ground in January so he can be up and running by July 1, 2021. So far, The County has been very cooperative and working to get this done as soon as possible.

Charmaine: Does anyone have a problem with the length of a lease going up to 99 years? No one was opposed to this; the next step will be figuring out a lease rate.

SCDC has been very helpful with providing the needed connections for utilities and helping Mike with the application process for the Enterprise Zone tax abatements.

Keith: What we know: The amount of property The Port is going to buy is more than originally anticipated which will increase the purchase price. As the plans continue to expand there will be some costs incurred for sanitation and electrical. This will also increase the

money The Port will be paying out, but, even if Oregon Seafoods were not going to be moving in, The Port would have had to pay these costs anyway.

The direction from the board was to keep moving forward.

REPORTS:

STAFF REPORT:

Winchester Bay dock brought in \$5,397 and the ice machine made \$2,275. Fishing has slowed down quite a bit but, Larry is still getting ice sales.

The A.C.O.E. dredged the river in mid-September and were able to get 137,773 cubic yards over the course of about 10 days.

Received a “thank-you” card from Cassandra Diehl who was one of the recipients for a \$500 scholarship provided this year by The Port to the local scholarship program. She plans to attend Lane Community College.

SALMON HARBOR MANAGER:

Jim Zimmer: Talked to his IT department about the security cameras at the Port Dock. The networking for camera system needs to be looked at, which IT is doing right now. There are other cameras like those at the Port Dock that have also gone out. Jim requested that these cameras along with the Port Dock cameras be looked at first.

Salmon Harbor received their Clean Marina Recertification.

Jim has asked Jack Akin to put together a feasibility study for a small dredge that The County would own, and it would be used in the harbor. Jack is thinking of a system like what is currently used in Port Orford. There, they use a 75-horsepower pump, hung from a crane.

There is a small bay up by Ork Rock and another spot by the RV Resort that Salmon Harbor is proposing they use for disposing the dredge spoils. Jack thinks this type of system would work well for Salmon Harbor where their needs are more for pinpoint dredging within the harbor.

COMMISSIONERS:

Lee: Asked if The Port should have an investment policy. He thinks there are other instruments The Port could utilize to get a better return than we are getting now. Keith suggested The Port complete the current project of acquiring the property in Winchester Bay and then the commissioners can decide if they want to work on an investment policy.

Meeting was adjourned at 8:00 p.m.

The next Port of Umpqua Regular Meeting will be held November 18, 2020 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:**

9/30/20

Commissioner questions from check signing at end of the month to be included in the date, 2020 minutes:

Carey: Why did The Port have Billeter do the work on the forklift and have to pay for out of town instead of Don from here in town. Because they do a better job.

Carey: Did Highland Refrigeration install the Flange? No, Mark Mosley did.

Carey: Why was the Flange so expensive? Because Highland ordered it from Denmark, then shipped it to us. We paid both shipping fees.

Checks were signed by Commissioners Jones and Schafer.

Questions from check signing at the October 21, 2020 meeting:

There were no questions.

Checks were signed by Commissioners Tymchuk and Nelson.

Keith Tymchuk, President

Karen Halstead, Admin. Assistant