

Port of Umpqua

Regular Meeting Minutes
January 17, 2024 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 Carey Jones
Treasurer Joe Mulkey
Assistant Secretary Deborah Yates

Commissioners Not Present:

Vice President VACANT

Port Staff Present:

Port Manager Scott Kent
Administrative Assistant Karen Halstead

Public Present:

Cliff Glover, Rhonda Black, Tom Black, Patrick Roelle Jr., Matt Rudwalt, Toni Rudwalt, Deanna Schafer, Dana Ferguson & Patric Roelle Sr, Kriston Correl and Signe Grimstad (via phone)

Online Attendees:

Charmaine Vitek

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

Proceedings:

The meeting was called to order at 7 p.m. by President Keith Tymchuk.

It is noted that a quorum of Commissioners was present for this meeting.

PLEDGE OF ALLEGIANCE

CONSENT AGENDA – All items listed are considered routine and will be enacted by one motion.

- **APPROVAL OF AGENDA:** Scott requested to remove Item #8 – Background Check Requirements for appointed Commissioners, and added a new Item #8 - Unloading product at the Umpqua River Wharf, downtown Reedsport (Resolution)
- **APPROVAL OF MINUTES:** October 18, 2023 & November 15, 2023
- **APPROVAL OF BILLS:** \$11,386.44

Commissioner Jones made a motion to approve the Consent Agenda as amended, 2nd by Commissioner Mulkey. The motion was passed by unanimous vote.

PUBLIC COMMENT:

There was none.

REGULAR BUSINESS:

1. Review of audit by Signe Grimstad, CPA (via phone)

Referring to the audit report that had been provided to each Commissioner. Signe started on page 1, this is where she gives her opinion, and Signe had given The Port a clean opinion for the year, stating that the audit was really straightforward this year.

(Signe said she would be using rounded numbers) Starting on the page I, titled “Management’s Discussion and Analysis”, Signe compared this year to last year. The Port’s profit this year was \$46,579. The assets are \$3.4 million compared to almost \$3.4 million last year. Overall, the assets increased by \$55,000 for the year.

The Port’s unrestricted net position continues to be very healthy; it increased by \$111,668, which Signe stated is a very healthy position for The Port to be in.

Signe continued with a detailed overview of the audit report.

Commenting on the budget schedule Signe noted that there were no overages. Expenditures were all well within what was budgeted. The Contingency line was noted to be very healthy. There was no expenditure within the Dock Reserve Fund and all moorage coming in increased the overall end of the year balance to \$180,847.

The Oregon Minimum Standards are under the “Compliance” section on Page(s) 20 & 21. Signe pointed out there were no negative comments listed.

Keith: Once again, asked Signe to give The Port of Umpqua a grade for the overall audit, Signe gave The Port an “A”. Signe said there were others who were having budget problems this year and The Port has a healthy report.

Signe: Scott was very attentive while they were here, and any requests were acted upon right away making her job much easier. She really appreciated the efforts of Scott and Karen, helping them to get the information they needed and move on with the audit. She did say if any budget type questions come up for Scott to call her anytime.

- **Commissioner Yates made a motion to receive Fiscal Year 2022-2023 Audit prepared by Grimstad & Associates, 2nd by Commissioner Jones. The motion passed by unanimous vote.**

2. Presentation by Juul Insurance - Kriston Correl (Kriston provided renewal information handouts to the Commissioners) In the handouts was a comparison of 2023 to 2024, overall, The Port is looking at an 11.89% rate increase which Kriston

said is pretty modest relative to the market. She has seen anywhere from 19 to 25% on most other rate increases.

Kriston explained the rates by line item showing individual increases and providing the coverage for each. Overall, The Port's property insurance value increased to over \$458,000. This includes the Winchester Buildings, Umpqua River Wharf, and the Umpqua Spit.

Keith: Why did the earthquake coverage increase?

Kriston: It's anticipating the potential that there will be a Cascadia Subduction Event, especially with the increase in earthquakes that have been happening.

Kriston: One of the biggest cost contributors to the premium is the Umpqua River Wharf which is covered at a replacement cost of over \$7 million. That alone is adding \$11,000 per year to the premium.

Kriston pointed out that the overall coverage SDIS offers; there is not another single plan available that compares. If The Port wanted to go with something else, she'd have to piece it together and the premium would be double what SDIS is charging.

Kriston mentioned some of the perks that come with SDIS insurance including risk management assessments, and small grants that are available.

Carey: If The Port has a problem at the Umpqua River Wharf, for example, a hydraulic pump blows up and it'll require that The Port remove 40 – 50 cubic yards of dirt, will this coverage take care of something like that?

Kriston: It should be covered under liability if it's something The Port caused but she said she would look into that further because she'd never been asked that question before. She would email Scott with what she finds out.

Kriston stated she's been in the insurance business for 27 years and she has never experienced a market like it is now. It's very difficult to get insurance and rate increases are going through the roof. She described it as a "hard market" which usually lasts about 2 years but for now this "hard market" doesn't seem to be ending anytime soon.

➤ **Commissioner Jones made a motion to adopt property insurance plans as presented by Juul Insurance.**

Discussion after the motion:

Joe: He feels The Port should discuss the Umpqua River Wharf being insured for \$7 million dollars. Is that a discussion that can be held after The Port adopts this plan?

Kriston: Changes can be made at any time to the policy. It can be altered or even removed. One thing to keep in mind is that insurance companies won't let you insure at the price you *want* to replace at, it has to be insured for what it would actually *cost* to replace the dock. Example, in the event something was to happen to the Wharf and The Port chose to replace it at "X" amount, the insurance company will only pay that "X" amount up to \$2 million

dollars. The insurance company won't pay The Port for a \$7 million dollar dock if that wasn't what was replaced.

Keith: When The Port originally insured the Wharf, they had to insure for the replacement cost. That isn't the case now, The Port can have a work session in the future to discuss this, Kriston offered to get more details of how it could be covered.

➤ **The motion was seconded by Commissioner Yates.**

The motion was passed by unanimous vote.

3. Report from Deanna Schafer, Reedsport City Manager, regarding Providence Tide Gate:

Deanna passed out copies of the new Reedsport Urban Renewal District (RURD) Report, which has just been printed out for the RURD advisory committee to go over tomorrow night. The handout is in Draft form and there will be changes made to it. Once the plan and the report (which is what was provided), are finalized both will be distributed to all of the districts in the area and at that time The City will allow comments on them.

Deanna's reason for being at the meeting was to represent The City's stance of being in favor of The Port repairing and/or replacing the Providence Creek Tide Gates. These tide gates are important to The City in ways that differ from other tide gates in the community. The Providence Creek tide gate is particularly important because it protects the area right off of the Umpqua River that includes "The Urban Growth Boundary" lines.

Deanna explained there are portions of Urban Growth Boundary location that are currently outside of the city limits. This is a section of land that has been set aside for future growth. The State set these boundaries and The City has no choice in the where the boundary lines are set. The City then has to fill up that area and build out to the boundary before they can request to increase the boundary or move the boundary lines in other directions.

The City limits basically end at the end of the paved portion of Ranch Road, when you get to the gravel you are in the Urban Growth Boundary area and that goes all the way to the Umpqua River at the end of Leeds Island and this is also the location of the Providence Creek tide gates.

The current Urban Growth Boundary encompasses a lot of areas that are actually very steep mountains, but the State considers it buildable land when in fact it is not. This is why the Providence Creek tide gates are so important to The City, over the years there have been issues with those tide gates and when that happens it floods the lowlands. Providence Creek actually runs all the way to the golf course. If those tide gates were to completely fail it could cause catastrophic flooding.

Keith: When he purchased his house on Ranch Road, he was required to get flood insurance because of the linear distance from Providence Creek.

Deanna pointed out that some of the properties within the Urban Growth Boundary may be buildable but would flood if the tide gates were to fail.

The City wants to support The Port as much as possible in whatever it takes to get those tide gates fixed or replaced. The support could be with acquiring funding and help with grant applications, they are willing to be a partner for The Port.

Deanna pointed out that with the legislative session there are funds available specifically for tide gates, but they get used up quickly. The City could encourage the legislature to refill those funds which would be very important because while the funds are out there, getting them is very competitive, so it's important to be in constant contact with our Representative asking them to support refilling the pots of funds.

Deanna then turned her discussion to the Urban Renewal plan and report. She gave a brief history of the plan that was created and was set to last 27 years. At this time there are 4 years left on the plan. The new plan designates a district within The City and at the point when the new plan is implemented it will freeze the tax bases. The other taxing districts such as The Port, Library, Schools, etc., all have a small amount of the overall taxes that are collected each year. Any increase above the frozen base will go to a fund called the Urban Renewal District. In the beginning there wasn't much in the fund, but now there is a significant amount. In the plan Deanna handed out it states that the RURD will initially get \$200,000 next year. The old plan and report had a lot of projects, goals and expectations that were supposed to be fulfilled during the original plan's 27 years. The thought is if the URD is managed correctly, and the goals are reached it will increase property values.

The Reedsport Urban Renewal District 27-year plan hasn't been followed entirely as it should have been. There have been a lot of changes in management over the years and some people didn't know what they needed to do. Deanna explained how Reedsport's URD has operated in the past and the funding rules weren't followed like they were supposed to be. When Deanna became City Manager, she started looking into this, and at that time there were only 7 years left on the plan. That wasn't enough time to completely follow the plan. She looked into starting over or creating a new plan. There have been a lot of changes and now they are in the process of amending the plan. The amended plan will keep the URD as it was, the money that has been collected over the years still continues to pool into the fund but now they will be allowed to add properties and allowed to refigure the amount of indebtedness The City has. Deanna explained how the changes are calculated and how the financing will operate and when and how the other taxing districts will receive more funds.

She covered the projects that are in the new plan and discussed the priority of those projects. The goal of an Urban Renewal District is to purchase property, clean it up and put it back on the market, or help an investor to get businesses to come into the city.

An example of what the URD has recently done was contributing money to 16th Street, where the new apartment buildings were put in. 16th Street was in horrible condition, so The City partnered with the public infrastructure to help with repaving and fixing that street. A current project they have going on now is looking into relocating a sewer main line because it is right in the middle of a lot that someone would like to develop.

The biggest change to the new plan is the request to increase the size of the district, right now it is basically downtown from highway 101 to the river. The City wants to increase that to include some properties that weren't included before. When the original plan was created 27 years ago, the State dictated the amount of acreage that could be included, and this caused some areas to be left out of the map. Due to the amount of time that has gone by the URD can now increase the district by a certain number of acres. The new plan incorporates portions of Highway 101 and Frontage Road commercial districts.

The report Deanna brought in tonight is the starting point; first draft. Changes will be made, and the new plan will be ready soon. The way that the State pays the schools now, these URD changes to the taxes will not affect the schools. All of the taxing districts will have a chance to comment on the plan before it is finalized.

Carey: When the URD hits it's goal will it be an equal distribution of funds to the other districts?

Deanna: It's based on whatever each district's tax rate is. Deanna also pointed out that The Port district encompasses more than just The City so the taxes from the outlying areas will continue as they do now.

4. Providence Creek Tide Gate Memorandum of Understanding (MOU), USWCD –

Rhonda Black: She had brought an MOU and once it's approved and signed it will allow USWCD to help find and apply for grants to fix and/or replace the Providence Creek tide gates. There is already an engineer willing to work with them on the project, he has worked on these tide gates before. Matt Ruwaldt was also there with Rhonda; he will be part of the team in helping to write the grants.

Keith: Last week there was a meeting about the tide gates and the information that was very valuable to him was the fact that even though the process is starting now, any potential work on them is 2 years out. There's engineering, grant seeking, permitting and the actual work window so it will probably be early 2026 before actual repair or replacement work would start. He pointed out that The Port is willing to be a part of this, but The Port is not claiming responsibility for these tide gates. The MOU does not commit The Port into anything other than what will be done now, the seeking of grants of money.

Deanna: Business Oregon offers special districts like The Port a lot of planning grants opportunities. These are grants that will help with engineering and any environmental requirements.

Carey: Who will be included in the team for this?

Rhonda: Scott, Rhonda, and Matt.

- **Commissioner Yates made a motion to approve the Memorandum of Understanding with Umpqua SWCD, 2nd by Commissioner Jones. The motion was passed by unanimous vote.**

5. Resolution 24-02 adopting updated Public Contracting Rules.

Scott: This is to update The Port's public contracting rules to include new laws from 2023.

- **Commissioner Jones made a motion to adopt the updated public contracting rules resolution 24-02 as drafted by our attorneys, 2nd by Commissioner Mulkey. The motion was passed by unanimous vote.**

6. SDAO Meeting, 2024

Carey was registered for the SDAO Conference in February per his request. Joe requested more information on the conference, he may want to go too. Karen will get that information to him in the morning.

7. Budget committee members

Scott presented the list of Budget Committee members for the upcoming Budget Hearings, and to appoint Scott as the Budget Officer.

- **Commissioner Mulkey made a motion to adopt budget committee members as presented and to appoint Scott Kent as the budget officer, 2nd by Commissioner Yates. The motion was passed by unanimous vote.**

8. Unloading product at the Umpqua River Wharf, downtown Reedsport (Resolution 24-01)

Scott: He incorporated the changes that were discussed at the prior meeting and there are revisions that were included by our attorneys. Upon approval of the resolution Scott will contact The Port attorneys to come up with a contract to be used with any buyers.

- **Commissioner Jones made a motion to approve the resolution 24-01 which provides for rules for the offloading of product at the Umpqua River Wharf in Downtown Reedsport, 2nd by Commissioner Yates. Motion was passed unanimously with Commissioners Jones, Tymchuk and Yates voting yes. **Commissioner Mulkey abstained from the vote due to a conflict of interest**.**

9. Background check requirements for appointed commissioners

Scott was told by The Port attorneys that background checks are not required.

REPORTS:

STAFF REPORT:

Scott: At the Umpqua River Wharf the perimeter wooden railing has really deteriorated and he'd like to talk to Scott Lewis about fixing it.

Regarding moving the hoist, he spoke with Security Solutions about a new key card access and that system would cost around \$5,000. Scott and Elkhorn Electric inspected The Wharf to determine the availability of and approximate costs for running the wiring. They plan to meet again, but Jon feels he can do it since there is already a utility pole at the site. The logistics of the gate to the wharf will have a code to access it; that code can be shared with the buyers who will be using the wharf.

The Department of State Lands says that Fred Wahl owns the property between the road and the wharf, so The Port will need an easement from Fred. Scott will be working on that.

The wharf project is going to require engineering support, so Scott is going to talk to HGE Architects & Engineers and to Stuntzner Engineering to see if they would be interested in helping with the project. The Port can appoint an engineer if the cost is less than \$100,000, Scott is confident that it will be.

Fire Alarm System: The Winchester Buildings have not had a fire alarm system since The Port moved in. Scott has put in some battery-operated smoke detectors for the time being. CNS Fire came and inspected the system to give Scott an estimate of what it'll cost to get the fire system up and going, including the automatic door closing mechanisms. The cost to repair and upgrade the system is approximately \$4,500, and that includes cell service contact to emergency services. This item will be on February's agenda.

Keith: Asked Scott to talk to Kriston at JUUL and see if having a working fire system would give The Port a break on our insurance.

Umpqua Valley Fire Services came in and replaced batteries in the emergency lights.

Scott hasn't gotten any updates from PDS on their building plans, the last time he heard from them was when they showed him the drawings a while back.

PDS is installing their new hoist after crabbing season. The Port will be able to get the existing hoist once they have installed the new one.

Scott signed up for a Leadership Seminar on March 6-8, 2024.

Last month The Port received \$12,300 from poundage coming over the dock.

COMMISSIONERS:

Deb: (Passed out documents from last month’s planning commission meeting). She discussed how much commercial land is available in town. She thought maybe Deanna could come to a future meeting to discuss currently available commercial land.

Carey: Presented Keith some resignation gifts from The Port. He told Keith he appreciated his mentoring, attitude, and patience in all of the years Carey has been working with him.

Keith: Stated that this was his last meeting; he’s been with The Port for 30 years and he has enjoyed it all. He is comfortable knowing The Port has good people, and he likes the transition now. He did say he would be available to help The Port if future issues came up that need some historical information.

Joe: He wanted to comment on the issue Scott brought up earlier about the wood railing around the Umpqua River Wharf. He suggested that the replacement be steel, not wood. Scott said he’d thought about concrete. Joe mentioned there are a lot of docks with steel pipe railings. He thought a large pipe as a railing will discourage people from standing on it, and pipe also allows nets to go over it without snagging.

The meeting was adjourned at 8:47 p.m.

The next Port of Umpqua Regular Meeting will be held February 21, 2024 starting with a Work Session at 6:00 p.m. and followed by our Regular Meeting 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:**

12/29/23:

Commissioner questions from check signing at end of the month to be included in the January 17, 2024 minutes:

There were no questions.

Checks were signed by Commissioners Yates and Jones.

Questions from check signing at the January 17, 2024 meeting:

There were no questions.

Checks were signed by Commissioners Jones and Mulkey.

Keith Tymchuk, President

Karen Halstead, Admin. Assistant