

MINUTES
PORT OF SIUSLAW COMMISSION
REGULAR MEETING
Wednesday, 20 July 2011

Commissioner John Buchanan called the Regular Meeting of the Port of Siuslaw Board of Commissioners to order at 7:00pm in the Port office conference room located at 1499 Bay Street, Florence, Lane County, Oregon.

ATTENDANCE: Commission: Commissioner John Buchanan (Buchanan); Commissioner John Scott (Scott); Commissioner Commissioner Sally Owens (Owens); Commissioner Joshua Greene (Greene), Bill Fleenor (Fleenor); Staff: Port Manager Mark Freeman (Freeman), Recording Secretary Dina McClure (McClure). Audience: Alan Campbell of Campbell Productions, Amy Bartlett of the Siuslaw News, Brien Mill, Kimberly Fleenor, Diane and Wayne Burch, Wendy Farley, and Jolee Bancroft, Robert Scull, and Geoff Prueitt from Mo's.

ROTATION OF OFFICERS: Saulsgiver retired from the Commission and was not present to rotate Buchanan to President. Buchanan assumed control of the meeting and declared Scott as 1st Vice President, Owens as 2nd VP, Greene as Secretary, and Fleenor as Treasurer.

OATH OF OFFICE: McClure administered the oath of office to Greene, Owens, and Fleenor.

CHANGES TO THE AGENDA: Greene requested a discussion regarding the legal issues of the SS Eco. Owens requested a discussion regarding the new restrooms. Buchanan agreed to add them to Old Business.

MINUTES: On the **MOTION** made by Scott, and seconded by Owens, the Minutes of the Regular Meeting on 15 June were unanimously approved as submitted.

REMARKS FROM CITIZENS/GROUPS: Jolee Bancroft, from Mo's, is concerned that some of their 17 allotted parking spaces, per their lease, are being used for food concessions on certain weekends. Greene suggested identifying their parking spots. There was discussion about regulating the spots if there was signage. It was concluded that no signage is needed, the parking spots should be available for public parking and not vendors.

FINANCIALS:

Owens asked for an explanation of the restroom cost. Freeman explained that the restroom building cost \$119K. The cost for utilities and the sidewalk brings the total to \$140K. An OSMB grant is paying \$41K and the remaining cost of \$99K was budgeted. Fleenor said the upgrade of the restroom has increased the campground rating. Buchanan added that the old restroom drew many complaints from our guests.

Greene asked if there was a transient problem. Freeman said yes. Freeman added that the utility upgrade includes power to the new laundry room and the future office. Scott asked about the cost of \$2200 for Mo's signs. Freeman said Mo's replaced their neon signs and needed the backdrop painted. He added that if it is in the budget for Mo's to get a new roof this year. Owens asked about the ADA sidewalk. Freeman said it was part of the new restroom cost. Buchanan asked about the cement pad for the C Row port-a-potties. Freeman said staff has not decided where to put it and it is possible that that area might eventually be upgraded to have yurts. Scott said yurts are years off and the pad should be poured now.

There was discussion about how the Port needs to recover public relations expense costs, such as holiday port-a-potty rentals and maintenance to parking lots. Greene said the Port is fiscally challenged and selling property will help but until that happens, expenses need to be watched closely. Scott said if the Chamber holds an event, they need to help pay for the port-a-potties. Freeman said the Chamber paid for one ADA potty and the Port paid for six regular potties and the Chamber was billed for garbage. Freeman said the concession fees for Rhody Days and the 4th should be increased to cover the higher expenses. Greene said there should be a conversation with the Chamber and the City regarding the events that are held on Port property. Fleenor suggested a full cost recovery program. Owens agreed and said projects are going over budget. Buchanan asked Freeman to provide a report for direct and indirect costs, then Freeman can make recommendations to the Board on how to recover the expenses. Freeman agreed to look historical as well as the current year.

Owens asked about the \$66K for boarding floats. Freeman said the OSMB grant has already reimbursed the Port, HDB will store the floats, and installation will occur in November (due to the delay in the permit process with National Marine Fisheries). Freeman explained the OSMB needed to account for all grant expenses by 30 June.

Fleenor asked about the amount paid for water/sewer. Freeman explained that this amount pays for the combined water meter locations on Port property. Scott asked about the meter for the ice machine. Freeman said SFA has their own water meter and a separate PUD electric meter is going to be installed.

On the Motion, made by Greene, and seconded by Scott, the board unanimously approved the financials of \$283,280.81.

OLD BUSINESS:

1. SS Eco: Buchanan said he is dismayed at the amount of money paid in legal fees. Freeman said there will be more fees for the trial in July. Freeman agreed there was no good outcome in terms of expense but the liability was very high having this boat here. Freeman said the settlement is Fonte gets \$2500 if his boat is removed in 30 days. If the boat is not gone, money will be deducted from that amount per day. Freeman said the SDAO lawyer will provide a synopsis soon. Greene was concerned that the settlement didn't mandate the removal of the boat in 30 days. Scott was concerned the SS Eco was put on a condemned dock. Scott asked what needs to be done to make sure this situation never happens again. Freeman said more legal wordage needs to be added to the contract. Owens, Scott, and Buchanan said they did not know a one year contract was signed until after legal action started. Freeman said Fonte was in breach of the contract from day one. Buchanan said the Port's policy is

strong enough to not allow a boat like this. Scott added the lease can be terminated for violation of the Port's rules or regulations. Buchanan asked Freeman who is authorized to sign moorage agreements. Freeman said at the time staff was, but now all agreements need his approval before a long term license is signed. Fleenor asked what the policy is for who is in charge in Freeman's absence. Freeman said there is a chain of command, that he remains in charge and should be notified. In this case he was not called. Owens said if that is policy, it is not working and needs to be addressed. There was discussion about what happens if the SS Eco does not leave. Scott asked Freeman to get advice from SDAO if the Port has legal right to move the boat to another dock.

Fleenor asked if there is a policy in respect to litigation and at what point does Freeman notify the Board? Greene said it's a matter of principal that Freeman report such situations at the monthly meetings but does not know of a policy in writing. Freeman said many of the policies are outdated and need to be revised but it is a time consuming process. Greene said he took a look at the policies last year and agrees they are outdated. Buchanan said he also wants policy in writing for the Commissioners responsibilities. Fleenor recommended two Commissioners meet with Freeman and staff to work on updating the policies. Buchanan said SDAO is helpful and might have templates to use. Fleenor told of previous experience working on similar committees and Owens asked if he would like to volunteer to start a policy committee for the Port. Fleenor agreed and Greene agreed to be included as well.

2. Other Items by Commission: Owens asked about the ice machine.

Freeman said an agreement is being drawn up between the Port and SFA. Scott said there should be a signed pre-approved agreement prior to any activity that occurs on Port property, whether it is concessions, Chamber, or anyone. There is no signed agreement with SFA. Owens suggested there also be policy regarding who signs the agreements and if it needs Commission approval or not.

Greene reported the status of the ice machine: There was a one year warranty with a company that worked on the ice machine three years ago. Since the ice machine just became operational, the warranty has expired. The company is now quoting SFA close to \$5K just to come and look for the Freon leak, not to fix it or refill the Freon. Greene said SFA has contacted someone in Newport who will charge less to look for the leak. Greene said SFA has worked very hard to raise money to get the machine operational, and he feels strongly that the Port needs to step up and help. Greene asked the Board to please consider helping SFA to get the ice machine operational. He added that everyone thinks the ice machine belongs to the Port anyway. Buchanan said the Port operates with public funds, money is tight right now and should not be spent in that direction. There was discussion regarding the money already spent, how the Port has overseen the expenditures due to the County grant, and the liability of having the ice machine on Port property. Greene pointed out that the SFA raised \$250K on their own and if we help them get operational, boats will return. Scott said Charleston has ice to the south, Newport has ice to the north, here there is no market for the ice. Greene is aware of the Port's financial situation, knows the issue is controversial, but wanted the Board to know that he feels the Port should help SFA. The Board requested Freeman to send them the draft of the SFA agreement.

NEW BUSINESS:

1. **Meeting schedule for fy2011-12:** Greene suggested the 21 December meeting be changed to 14 December.

2. **Committee Assignments for fy2011-12:** See attached form for updates. Not on the form is the Policy Committee: Fleenor, Greene, Freeman, and staff.

3. **Other Items by Commission:** Fleenor requested Freeman prepare a presentation on cost recovery for fuel at a future meeting. Fleenor wants volumes, quantities, types, how it is priced, and the possibility of a partnership with Lane County or the State to make sure we are getting the best revenue return. Freeman agreed.

REPORTS:

Freeman reported:

- AAA, Woodall's, and Trailer Life ratings increased due to the new restroom in the Campground.
- Dredging took place at the mouth 2 weeks ago. Safety concern due to a 11-12 foot shoal made it a priority. Dredge will return end of August to do more.
- Federal funding for dredging is decreasing. There will be a 20% drop in available funds next year. Five Ports will not get funded at all in 2012. The more the dredge can do this trip, the better.

Fleenor added that tonnage will not be used as a process for federal funding. The focus will be on health, safety, and national security.

ADJOURN: Commissioner Buchanan adjourned the meeting at 8:25pm.

President