

MINUTES
PORT OF SIUSLAW COMMISSION
SPECIAL MEETING
Monday, 20 October 2008

Commission President Scott called the Special Meeting of the Port of Siuslaw Board of Commissioners to order at 11:45am in the Port office conference room located at 1499 Bay Street, Florence, Lane County, Oregon.

ATTENDANCE: Commission: Commissioner John Scott (Scott), Commissioner Bud Saulsgiver (Saulsgiver), Commissioner Joshua Greene (Greene), Commissioner John Buchanan (Buchanan), Commissioner Bob Thorp. Staff: Port Manager Mark Freeman (Freeman), Recording Secretary Susy Lacer (Lacer), Assistant Harbor Master Ken Hill (Hill), Maintenance Lead Jason Wagner (Wagner). Audience: Ryan Cronk of The Siuslaw News.

PURPOSE: To discuss Port finances relevant to the 2008-2013 Strategic Business Plan, including projected revenues and expenses.

Hill reviewed Campground revenue summaries, attached to these minutes. Discussion of current Campground rates and customer complaints regarding the summer monthly rates. Hill stated most of the Campers who were protesting the rates stay for one month only, and that most of the cancellations received for Campground sites this year were due to high fuel costs, the bad economy, and/or other personal reasons, and not due to the 2008 rate increase. Hill stated Port Staff do not believe the rates should be lowered and that Staff have discussed removing the summer monthly rates because most of the summer usage is for daily/weekly stays. Hill noted the Campers who were unhappy with the summer monthly rates agreed the daily and weekly rates were fine.

Wagner stated that in the past 8 years he has seen the Port repeatedly turn away Campers because there were no available sites, particularly the high-demand waterfront sites. Wagner stated he believed the rates should not be lowered and that the Port should follow through on the improvements promised, including electrical upgrades to sites. Discussion on the monthly rates proposed by Campers at the last Port meeting. Scott asked the status of wifi improvements. Freeman stated George Rogato stopped by and is supposed to be preparing an estimate. Freeman stated it will take thousands of dollars to truly create a completely reliable wifi service and that he recommended installing a second repeater on the fuel dock to increase signal coverage. Hill stated many Campground users don't realize the wifi signals are blocked by metal, such as RVs, and that many RV'ers don't have external antennae to increase reception. Hill also noted many laptop computers don't have quality wireless cards, which can also impact reception. Freeman stated it would probably cost about as much as has been spent so far (~\$1200) to add another repeater to the dock. Scott suggested waiting for the estimate from Rogato and working with that, or if it was not feasible, to go with the existing service and add the second repeater. Discussion on other options for wifi service, including using cable. Scott suggested printing a note to give to Campers at registration stating the Port provides wifi service to the Campground, however, the use of an external antenna in the RV may improve wifi service at specific sites.

Scott asked about the status of electrical upgrades. Hill stated he sent a packet out last week to get a design and materials list from one vendor. Hill noted Port Staff will be allowed to do only minimal parts of the work as a licensed electrician is required to do the bulk of the work, including laying conduit and pulling wires. Discussion on potential

water service changes. Hill stated he did not know yet from CLPUD whether the Port would have to pay for a larger transformer to service the upgraded sites. Greene noted Campground revenues had increased even with the reduced number of stay nights. Wagner stated that each year RVs are getting larger and needing additional power and services. He stated the Port had to make more electrical repairs this year in Campground sites than in years past, and that he believed customer concerns would be alleviated if the planned upgrades were completed. Freeman stated electrical upgrades planned for this year include the inner circle and the B row of the Campground. Hill noted he has been working with OSU Extension to find a viable control for the sand bur problem.

Discussion on eliminating summer monthly rates. Hill noted the Port's daily rates were very similar to Honeyman State Park (\$21.75 vs. \$22 for no service sites) and that Honeyman doesn't offer monthly rates. Hill also stated the Port has a waiting list already for the waterfront sites for next summer. Scott recommended eliminating the summer monthly rates and adjusting the parameters for winter/summer season. Hill stated the current winter rates are in effect from 1 Nov to 31 May, but that November through June is a more typical winter season definition. Freeman noted the Port's monthly rates already drop significantly in the winter (\$450 for full hookup sites). **On the MOTION, made by Greene, seconded by Thorp, the Board voted unanimously to change the defined dates for summer season in the Campground to 1 July through 31 October, and to no longer offer monthly rates for the summer season, and to keep the existing winter monthly rates in effect from 1 November through 30 June.**

More discussion on electric upgrades. Greene noted the Commission was taking a risk of having a negative customer response by not lowering Campground rates as requested by some Campers, however, he also noted that recent changes in the national economy played a part in their decision.

Scott asked about the status of marina dredging. Freeman stated it is on hold while the permit application is reviewed by NMFS. Freeman added the Port can go out to bid for the dredging, contingent on permit approval, and avoid some scheduling delays. Discussion on bidding and work involved. Discussion on eelgrass being listed as an invasive species according to OMB Clean Marina documents. The Commission thanked Wagner and Hill for their time and insight. Hill and Wagner left the meeting.

Discussion on questions for Adam Zimmerman. Greene stated he would like to discuss the Plan overall, not just the financial aspects. Freeman noted he had updated property information on the Industrial Park on the Port's web site. Lacer dialed Zimmerman for a conference call. Zimmerman reported he had found a mistake on page 56 in the Plan. A \$300,000 loan figure in 2010-2011 should have been \$340,000, changing the ending balance for that year to \$150,185 and the ending balance for 2011-2012 to just \$2,250. Zimmerman noted he had also made some minor edits to the Plan and was awaiting Commission direction for when to deliver the final Plan.

At 12:49 Scott closed the open session and entered into Executive Session per ORS 162((2)(e) to discuss real property transactions. Scott read the disclosure and directive. Cronk remained in the room.

ADJOURN

President

MONTHLY CANCELLATIONS

We had 62 cancellations from park guests who had made reservations at the old rate. Most of these were cancelled either because of fuel prices or for personal or medical reasons.

These cancellations amounted to \$24,552.00 in lost revenues, and 1860 stay nights.

LONG TERM USAGE

We have 24 guests who stay with us for 60 days per year, and 4 guests who stay longer than 60 days per year (up to 120 days). Fifteen of the 62 cancellations we had were for multiple month stays.

SITE REVENUE JUNE-SEPT 08*

6589 SITE NIGHTS FOR 52% OCCUPANCY
17 FULL HOOK-UP MONTHLY CONTRACTS
126 FULL HOOK-UP SPLIT MONTHLY CONTRACTS
1 WATER\ELECTRIC MONTHLY CONTRACTS
9 WATER\ELECTRIC SPLIT MONTHLY CONTRACTS
153 TOTAL CONTRACTS FOR 2452 NIGHTS
MONTHLY NIGHTS ARE 38% OF TOTAL NIGHTS

B-ROW AVERAGE NIGHTLY REVENUE \$21.51
C-ROW AVERAGE NIGHTLY REVENUE \$3.61
FULL HOOK-UP AVG. NIGHTLY REVENUE \$16.52
W/E AVERAGE NIGHTLY REVENUE \$8.85
OVERALL AVERAGE NIGHTLY REVENUE \$11.72

AVERAGE LENGTH OF STAY 4.06 DAYS

TOTAL SITE REVENUE \$152,689.01
MONTHLY FULL HOOK-UP REVENUE \$49,373.72*
MONTHLY WATER\ELECTRIC REVENUE \$3,460.00*
NIGHTLY\WEEKLY REVENUE \$99,855.29
NIGHTLY\WEEKLY AVERAGE REVENUE \$24.14*
*NEW RATES IN EFFECT 1/1/08 (these figures are based
on this years rates 90% of our monthlies were on the old
rate which is approximately \$6.00 per day less)

SITE REVENUE JUNE-SEPT 07

8731 SITE NIGHTS FOR 71% OCCUPANCY
26 FULL HOOK-UP MONTHLY CONTRACTS
189 FULL HOOK-UP SPLIT MONTHLY CONTRACTS
0 WATER\ELECTRIC MONTHLY CONTRACTS
33 WATER\ELECTRIC SPLIT MONTHLY CONTRACTS
248 TOTAL CONTRACTS FOR 4122 NIGHTS
MONTHLY NIGHTS ARE 48% OF TOTAL NIGHTS

FULL HOOK-UP AVG. NIGHTLY REVENUE \$13.05
W\E AVERAGE NIGHTLY REVENUE \$10.05
TENT SITE AVERAGE NIGHTLY REVENUE \$3.55
OVERALL AVERAGE NIGHTLY REVENUE \$12.43

AVERAGE LENGTH OF STAY 4.45 DAYS

TOTAL SITE REVENUE \$142,056.19
MONTHLY FULL HOOK-UP REVENUE \$33,110.88
MONTHLY WATER\ELECTRIC REVENUE \$5,832.00
NIGHTLY\WEEKLY REVENUE \$86,891.19
NIGHTLY\WEEKLY AVERAGE REVENUE \$18.86

This periods revenues included the tent sites which have been converted to primitive sites.