

OREGON INTERNATIONAL PORT OF COOS BAY
Coos Bay, Oregon
REGULAR COMMISSION MEETING
3:00 p.m., Tuesday, February 16, 2021

Port Commission Chambers, 125 Central Avenue, Suite 230, Coos Bay, Oregon 97420

ATTENDANCE

Commission:

David Kronsteiner, President; Eric Farm, Vice President; and Brianna Hanson, Treasurer.

Staff:

John Burns, Chief Executive Officer; Lanelle Comstock, Chief Administrative Officer; Megan Richardson, Director of Finance; Margaret Barber, Director of External Affairs; Mike Dunning, Director of Maritime Operations and Asset Management; Brandon Collura, Harbormaster; Krystal Moffett, Administrative Assistant; and Mike Stebbins, Port Legal Counsel.

Media & Guests:

Lesley Daggitt, Moss Adams; Amanda McCleary-Moore, Moss Adams; and Trinity Flinders, Moss Adams.

1. CALL MEETING TO ORDER

President Kronsteiner called the meeting to order at 3:01 p.m.

2. INTRODUCTION OF GUESTS AND PORT STAFF

3. PUBLIC COMMENT

4. CONSENT ITEMS

- A. Approval of December 15, 2020 Regular Commission Meeting Minutes
- B. Approval of December and January Invoices
- C. Approval of December and January Contracts Awarded

Upon a motion by Commissioner Farm (second by Commissioner Hanson), the Board of Commissioners voted to approve the December 15, 2020 Regular Commission Meeting Minutes, December and January Invoices, and December and January Contracts Awarded. **Motion Passed.**

5. MANAGEMENT REPORTS

All Management Reports were included within the Meeting Packet.

6. PORT PROJECT UPDATE

A. Presentation of 2019/20 Annual Financial Report by Moss Adams

Amanda McCleary-Moore, Lesley Daggitt and Trinity Flinders introduced themselves on behalf of Moss Adams to present the 2019/20 financial audit report.

Ms. Flinders spoke of the extended engagement team and stated the nature of services provided include auditing the Port's financial statements in accordance with Generally Accepted Accounting Standards (GAAS) and GAGAS (the governmental standards). Moss Adams provides compliance testing and reporting under Oregon Minimum Standards, which includes review of budget law and procurement. The Port received more than \$750K from Federal grants for the fiscal year which required an additional single audit to be performed under Uniform Guidance.

Ms. Daggitt discussed critical audit areas including internal controls, the IT environment, investments, revenues and receivables, capital assets, long term debt, accrued liabilities such as PERS and OPEB, financial close and reporting, Oregon Minimum Standards, and Federal grants compliance. Compliance with Oregon Revised Statutes are examined for banking, insurance, use of tax revenue, investment of public funds, and public contracting, as well as preparation and adoption of the annual budget.

Ms. McCleary-Moore stated Moss Adams issued a clean unmodified opinion of the Port's financial statements, meaning that after all testing was complete the financial statements were determined to be materially correct. For compliance with Oregon Minimum Standards, there was one instance of non-compliance noted with a budgetary over-expenditure in the General Fund for Railroad Operations. In the GAGAS Internal Controls and Compliance report, there were no instances of non-compliance and no significant deficiencies or material weaknesses. With the Uniform Guidance report for the Federal grants, there were two instances of non-compliance identified. Two quarterly reports were tested, and it was noted that neither report matched to the supporting documentation of expenditures. This was corrected by management in the fourth quarter. The second instance was related to the procurement process and verifying a contractor's status for suspension or disbarment. Management is aware of this and will ensure it is evaluated going forward. Despite these instances of non-compliance, Moss Adams issued a clean opinion regarding the Federal grants.

In the issued letters to those charged with governance, it was noted that reports were issued at the end of January. Oregon requires filing by the end of December, but this was not considered a late filing because an extension had been granted. For the current year there were no material adjustments made, although there were two significant adjustments made. Both were unique transactions; one related to the Paycheck Protection loan for the Coos Bay Rail Line, and the other to the Ice Plant and a portion of accumulated depreciation that had not yet been removed.

Ms. McCleary-Moore stated there were no difficulties in performing the audit and the team worked well in the remote environment to complete the audit. Recommended best practices were discussed including having a review process for disposal of capital assets. Ms. Daggitt discussed upcoming new standards that will become effective in future audit years.

John Burns stated this has been a tremendous effort by all due to the circumstances of the past year, and to have no difficulties performing the audit shows everyone involved did an exemplary job. Mr. Burns shared appreciation for staff and Moss Adams.

7. ACTION ITEMS/REPORTS

A. 2019/20 Annual Financial Report

Moss Adams has completed the annual financial report on behalf of the Oregon International Port of Coos Bay for fiscal year ending June 30, 2020.

The financial statements are presented in accordance with the financial reporting model in the Governmental Accounting Standard Board (GASB) Statement No. 34.

There were no adjustments that had a material effect on the Port's reporting process. There were also no material weaknesses or reportable conditions for internal control, and only one instance of non-compliance to the general-purpose financial statements.

Representatives of Moss Adams attended this Commission meeting and presented the audit. A copy of the audit had been provided to Commissioners for review.

Upon a motion by Commissioner Farm (second by Commissioner Hanson), the Board of Commissioners motioned to approve the annual financial report for Fiscal Year 2019/2020. **Motion Passed.**

B. Street Vacation – Division Avenue

Per Oregon Revised Statutes 271.180 and 271.190, municipalities are required to seek approval from Ports and other adjoining property owners for proposed vacation of streets, alleys, and common public places within 5,000 feet of the harbor or pierhead lines of the Port. Port Policy Manual Section 13.6 Street Vacations in the Cities of Coos Bay and North Bend, states anything within 1,000 feet from the harbor and pierhead lines requires Port Commission approval.

The City of Coos Bay has requested vacation of the undeveloped portion of Division Avenue as it is unlikely that the street will ever be developed due to topography and to allow for a rededication of the western most section of Division Avenue, which will become an extension of Taylor Avenue. There is a proposal for a new development to the Northwest where N. Marple Street and Division Avenue intersect. Vacating Division Avenue between Lakeshore Drive and Patrick Avenue will facilitate the rededication of the western most portion of Division Avenue. *(As required by Resolution 90 91-14, Port must approve proposed vacations within 1,000 feet of the harbor and pierhead line of the Port.)*

Port staff have reviewed the area of the proposed vacation and believe the street vacation action will not create a negative impact on the rail or marine transportation infrastructure serving the Coos Bay harbor.

Prior to the City of Coos Bay taking any formal action on the proposed right-of-way, the Port's Board of Commissioners must approve the vacation.

Upon a motion by Commissioner Farm (second by Commissioner Hanson), the Board of Commissioners motioned to approve the request for consent from the City of Coos Bay to a street vacation of Division Avenue between Patrick Avenue and Lakeshore Drive. **Motion Passed.**

C. **Appointment of FY 2021/22 Budget Officer**

Oregon Local Budget Law (ORS 294.305 through 294.565) governs the preparation of the Port's annual budget. Pursuant to ORS 294.331, the Port Commission is required to designate one person to serve as the Budget Officer, who shall prepare or be responsible for preparing the budget document under the direction of the Chief Executive Officer. The Budget Officer also presents a balanced budget to the budget committee, publishes all notices required by Local Budget Law, monitors budget expenditures during the budget year and notifies the governing body of the need to make any budget changes required after adoption.

Port staff recommends Megan Richardson, the Port's Director of Finance & Accounting, to be appointed as the Budget Officer for the fiscal year 2021/22 budget process.

Upon a motion by Commissioner Hanson (second by Commissioner Farm), the Board of Commissioners motioned to approve the appointment of Megan Richardson, Director of Finance & Accounting, as the Budget Officer for the FY 2021/22 budget process. **Motion Passed.**

8. **OTHER**

9. **COMMISSION COMMENTS**

10. **NEXT MEETING DATE** – Tuesday, March 16, 2021, 3:00 p.m.

11. **ADJOURN**

President Kronsteiner adjourned the meeting at 3:39 p.m. and entered into Executive Session to:

- (d) conduct deliberations with persons designated by the governing body to carry on labor negotiations;
- (e) conduct deliberations with persons designated by the governing body to negotiate real property transactions;
- (g) consider preliminary negotiations involving matters of trade or commerce in which the governing body is in competition with governing bodies in other states or nations;
- (h) consult with counsel concerning the legal rights and duties of a public body with regard to current litigation or litigation likely to be filed;
- (i) review and evaluate the job performance of a chief executive officer, other officers, employees and staff, if the person whose performance is being reviewed and evaluated does not request an open hearing; and
- (j) carry on negotiations under ORS Chapter 293 with private persons or businesses regarding proposed acquisition, exchange or liquidation of public investments.