

OREGON INTERNATIONAL PORT OF COOS BAY
Coos Bay, Oregon
REGULAR COMMISSION MEETING
10:30 a.m., Tuesday, November 16, 2021

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

ATTENDANCE

Commission:

David Kronsteiner, President; Eric Farm, Vice President; Bob Garcia, Secretary; and Kyle Stevens, Commissioner. Brianna Hanson, Treasurer, was absent.

Staff:

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

Media & Guests:

None Present.

1. CALL MEETING TO ORDER

President Kronsteiner called the meeting to order at 10:30 a.m.

2. INTRODUCTION OF GUESTS AND PORT STAFF

3. PUBLIC COMMENT

4. PORT PROJECT UPDATE

A. Debt Refunding Completion Overview, Director of Finance Megan Richardson

During the last fiscal year, the Port took a critical look at the status of its debt portfolio. Upon review, it was clear there were too many loans with interest rates that were not competitive with today's rates and not enough diversity in where the funds had been borrowed from. Aside from five small loans through Toyota Financial Services, there were ten loans totaling \$13.6 million from Business Oregon.

The Port identified \$7.25 million that qualified for refinancing. This debt had greater than ten years until maturity and an interest rate greater than 3.4%. The loans excluded from consideration were either within three years of pay off or had an interest rate less than 2%.

The Port utilized the services of David Ulbricht, a municipal advisor with Special Districts Advisory Services. The Port has used his services in the past to negotiate the terms of the line of credit through Umpqua Bank. Mr. Ulbricht was responsible for reaching out to banks to get quotes, negotiating terms

with the banks, and assisting with finding bond counsel to underwrite the loan documents. Mr. Ulbricht was successful in obtaining a quote with favorable terms with Kitsap Bank. Kitsap Bank is an independent bank founded in Port Orchard, Washington with a focus on the Pacific Northwest.

With Mr. Ulbricht's assistance, the Port was able to obtain a full faith and credit loan with Kitsap Bank to refund the \$7.25 million plus the accumulated interest for the year and closing costs for the loan, for a total principal amount of \$7.6 million with an interest rate of 2.67% and repayment terms of 20 years. The Port closed on the loan on October 26, 2021.

One of the first benefits gained by refinancing is that full faith and credit financing removes any security interests to the assets that may have been encumbered by the debt. Also, the lower interest rate will save the Port about \$1.2 million over the life of the loan, which is an average savings of about \$50,000 per year. Finally, the Port has reduced its total debt with Business Oregon, which benefits the Port's future borrowing needs as well as benefitting Business Oregon in having those funds to redistribute as they need. Overall, the debt refinancing was a success.

B. Distant Water Fleet Capital Improvement Project, Harbormaster Brandon Collura

The Distant Water Fleet (DWF) dock head building repair is one of two capital improvement projects budgeted for this fiscal year in the Charleston Marina Complex. The last time significant improvements were made to this structure was approximately fifteen years ago, although the building is much older. Port staff determined this project could be completed in-house based on the scope of work and employee skillsets available, providing a financial benefit of cost savings. The project had a budget of \$10,000 while actual time and materials came in just under \$7,000. This is a great example of a smaller project being completed on schedule and under budget.

The foundation and structure of the building were intact, so work focused on replacing the paneling, siding and trim, installing a new fiberglass door, a full roof replacement, as well as minor electrical work, painting, and replacing exterior lighting. These dock head buildings are small but house important electrical equipment as well as spill kits and other emergency supplies. The team did an outstanding job, including the project managers and maintenance staff.

5. CONSENT ITEMS

- A. Approval of September 21, 2021 Regular Commission Meeting Minutes
- B. Approval of October 22, 2021 Special Commission Meeting Minutes
- C. Approval of September and October Invoices
- D. Approval of September and October Contracts Awarded
- E. Approval of Community Giving Donations
- F. Approval of SDIS Best Practices Program Checklist

Upon a motion by Commissioner Farm (second by Commissioner Garcia), the Board of Commissioners voted to approve the September 21, 2021 Regular Commission Meeting Minutes, October 22, 2021 Special Commission Meeting Minutes, September and October Invoices, September and October Contracts Awarded, Community Giving Donations, and SDIS Best Practices Program Checklist.
Motion Passed.

6. MANAGEMENT REPORTS

All Management Reports were included within the Meeting Packet.

7. ACTION ITEMS/REPORTS

A. **Right of Way Vacation at Grant 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 pier head 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 pier head lines requires Port Commission approval.

The City of Coos Bay has requested approval of a vacation request of an undeveloped portion of Grant Avenue west of North Marple Street on behalf of RAF Development. The proposed vacation will allow the developer of the Marple Street subdivision to install low impact stormwater development structure to handle stormwater run-off for the project. *(As required by Resolution 90 91-14, the Port Commission 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 to 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 Stevens), the Board of Commissioners motioned to approve the City of Coos Bay's request for the Oregon International Port of Coos Bay's consent of the proposed vacation of a portion of Grant Avenue west of North Marple Street. **Motion Passed.**

B. **Wild Coast Running Company Lease Renewal**

Wild Coast Running Company is a new tenant of the Port following the Port's acquisition of the Hub Building. The existing lease agreement that was transferred with the sale of the property from the Hub Partnership to the Port is set to expire as of November 30, 2021. Wild Coast Running Company has expressed interest in entering into a new one-year lease agreement for leased space in the Hub Building. Wild Coast Running Company is a tenant in good standing with the Port.

Upon a motion by Commissioner Stevens (second by Commissioner Farm), the Board of Commissioners motioned to approve Oregon International Port of Coos Bay executing a new one-year lease agreement with Amarissa Wooden, DBA Wild Coast Running Company. **Motion Passed.**

C. **Charleston Marina Maintenance Shop Roof Replacement**

In 2019, the Charleston Maintenance Shop was relocated to Buildings 29 & 31 within the Charleston Marina Complex. Prior to occupying the buildings, multiple sections of the roof were identified as being in need of replacement due to corrosion and leaks.

The maintenance shop is used to house Port owned assets as well as the State of Oregon dredge equipment and vessels. Port assets include tools, heavy equipment, vessels, a repair shop, storage, and office space.

The current standing seam metal roof has been in place approximately twenty-five years. The new replacement roof would consist of a pre-painted standing seam metal roof, vapor barrier, and insulation.

With the unanticipated Ice Plant Rebuild taking up much of 2020, the maintenance shop roof replacement was postponed for one year. As part of the approved fiscal year 2021/22 budget package, this capital improvement project required an Invitation to Bid (ITB) under the Local Public Contracting Rules (LPCR).

An ITB was solicited on October 15, 2021. A contractor walk-through took place on October 28, 2021. Bids are due November 16, 2021 with a contract award expected in early December 2021.

Commissioner Farm asked the estimated project cost. Brandon Collura stated bids have not yet been received, but the budgeted amount is \$150,000. President Kronsteiner asked how many contractors attended the pre-bid meeting. Mr. Collura stated there were two.

Upon a motion by Commissioner Farm (second by Commissioner Stevens), the Board of Commissioners motioned to authorize Chief Executive Officer John Burns to negotiate and execute a contract for the replacement of the Marina maintenance shop roof. **Motion Passed.**

8. OTHER

9. COMMISSION COMMENTS

10. NEXT MEETING DATE – To Be Determined.

President Kronsteiner stated the next meeting date is scheduled to fall on December 21. There is action that will need to be taken but the timing is unknown. Port staff will update and schedule the meeting as soon as more is known.

11. ADJOURN

President Kronsteiner adjourned the meeting at 10:50 a.m. and entered into Executive Session to:

- (e) conduct deliberations with persons designated by the governing body to negotiate real property transactions;
- (f) consider information or records that are exempt by law from public inspection;
- (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; and
- (j) carry on negotiations under ORS Chapter 293 with private persons or businesses regarding proposed acquisition, exchange or liquidation of public investments.