

MINUTES
Oregon International Port of Coos Bay
Budget Committee Meeting

Monday, May 18, 2026, 1:00 p.m. – 3:30 p.m.

Port of Coos Bay Commission Chambers, 125 W. Central Ave, Suite 230, Coos Bay, OR 97420

Meetings are broadcast live on [YouTube](#). Hyperlinks below redirect to the recording.

Attendance

Commission: Kyle Stevens, President; Kyle ViksneHill, Treasurer; Elise Hamner, Secretary; and Arnie Roblan, Commissioner. Absent: Nick Edwards, Vice President.

Budget Committee: Lexie Woodward; Lou Leberti; Dax Davidson; John Blanchard; and George Wales.

Staff: Lanelle Comstock, Chief Executive Officer; Megan Richardson, Director of Finance and Accounting; Matt Friesen, Director of External Affairs; Ray Dwire, Charleston Marina Manager; Brian Early, CBRL General Manager; Rick Adamek, Director of Asset Management; Mary Green, Accounting Supervisor; Krystal Karcher, Administrative Services Manager; and Christina Sanders, Administrative Assistant.

1. [Call Meeting To Order](#)

President Stevens called the meeting to order at 1:01 p.m.

2. [Introductions](#)

3. [Selection of Budget Committee Chair](#)

Upon a motion by Kyle Stevens (second by George Wales) the Budget Committee voted to appoint Kyle ViksneHill as Budget Committee Chair. **Motion Passed Unanimously.** (Ayes: Blanchard, Davidson, Hamner, Leberti, Roblan, Stevens, ViksneHill, Wales, and Woodward. Nays: None. Absent: Edwards.)

4. [Receive FY 2026/27 Budget Message By Lanelle Comstock, Chief Executive Officer](#)

Lanelle Comstock presented the FY 2026/27 Budget Message and stated the budget outlines the Port's financial plans and priorities for the fiscal year. The budget reflects the Port's mission and commitment to sustainable development and economic growth for Southwest Oregon and the State. The proposed annual budget was prepared pursuant to Oregon local budget law and reflects a net-zero balance.

The Port's budget planning process takes up about the first half of the year and is very methodical and carefully planned. Port Staff put significant effort into the budget process, including calculations, deliberation, and review, and while the budget may appear simple, it is the result of months of work. The role of the Budget Committee is to review the proposed budget, recommend any changes if necessary, and approve the budget for presentation to the Port Commission in June for adoption.

The current fiscal year budget was developed very lean due to declining revenues and increased expenses. The Port currently has limited staff, with employees stretched thin and serving in multiple roles. Little was budgeted for capital improvement projects and planned maintenance, which has required the Port to be reactive in addressing repairs to its assets. Port Staff have had to be resourceful and limit spending wherever possible.

The Port experienced some unanticipated revenue increases during the current fiscal year, which are being carried forward into the next fiscal year. The Port also expects increased revenues in FY 2026/27. Although the proposed budget remains lean, it is somewhat more robust than the current fiscal year budget.

5. Review The Proposed Budget Document

A. Overview of the Budget Funds

The Port's budget is divided into four funds. The Port's General Fund tracks revenues and expenses related to operations and operational support. Departments within the General Fund include Administration, Charleston Operations, Port Operations, and Railroad Operations.

The proposed budget anticipates a total income of \$8,319,725, which reflects a \$1,469,090 transfer from the Special Projects Fund for indirect costs associated with grants for the Pacific Coast Intermodal Port Project (PCIP). This transfer is the same transfer that was budgeted this fiscal year but those grants have not yet been initiated, therefore it is rolling into this next fiscal year. In an effort to budget responsibly, no expenses have been allocated towards these "revenues" and these funds have again been placed in contingency. Excluding the \$1,469,090 transfer from the Special Projects Fund for the PCIP project, the proposed total revenues from operations, taxes levied, and grants received is \$6,850,636.

The Port currently has approximately \$22.4 million in outstanding debt, with \$1.39 million in debt service payments budgeted for the upcoming fiscal year. Terminal One is a major concern, but through coordination with Business Oregon, the Port has arranged a payment plan to make interest only payments, and has budgeted approximately \$55,000 for FY 2026/27. Commissioner Hamner asked about the debts that were rolling off. Megan Richardson and Ms. Comstock explained that several debts will be retired this year, including the IFA Charleston IT loan, originally incurred around 2017 for phone and IT upgrades. Certain vehicle loans are also rolling off, which will help reduce future budgets.

Total personnel has been reduced to 22 employees compared to the 23.5 positions budgeted in the current fiscal year; this is not a reduction in staff, but unfilled positions. Ms. Comstock acknowledged the increased workload carried by staff and expressed appreciation for their flexibility and commitment. Personnel costs continue to increase, driven by increases in employee benefits, including a 12.4% increase in medical insurance premiums and a 6% increase in dental insurance premiums, totaling more than \$35,000, along with a 2% cost-of-living adjustment estimated at \$28,229.

B. Administration

The Port is anticipated to receive nearly \$2.2 million from property taxes, \$41,000 in interest earnings, \$15,000 for administering the Coos County Urban Renewal Agency, \$11,400 from other income, which is a pass through of county property taxes paid by Hub Building leaseholders, \$216,349 for leases within the Hub building, which is currently fully occupied, and the Southport note repayment at \$77,425.

Seven employees have been budgeted for in Administration, which is an increase from 6.5 employees this current fiscal year. The Port currently has a vacant half-time accounting clerk position that is planned to be filled with a full time position in FY 2026/27, noting that even at seven employees, the Administration office is still down from the 11 employees in FY 2023/24.

The budget for the upcoming fiscal year does not differ much from the current fiscal year. The Administration budget for consulting services dropped from \$65,920 to \$10,920 due to the current fiscal year had budgeted for the Strategic Business Plan consultants. That project has been completed and is not needed to be budgeted for the upcoming fiscal year. Staff training and development was decreased from \$8,150 due to not budgeting for crane training which the Port had budgeted for in past years, but never started.

C. Charleston Operations

The Charleston Marina Complex provides infrastructure for both commercial and recreational users, including approximately 400 moorage slips, a six-lane boat ramp, an RV park, commercial properties, and a shipyard. Projected operating revenue is \$2,777,843, an increase of approximately \$294,000 from the current year, based on historical trends, anticipated activity, and proposed rate adjustments. Staff conducts an annual review of rates to ensure they align with actual costs and remain competitive with other ports and marinas offering similar amenities.

Port Staff propose a 3% rate increase for most Marina and Shipyard services, along with several targeted adjustments. The annual launch ramp fee will increase from \$85 to \$100 if purchased January through September, and \$65 thereafter, consistent with other ports. Ray Dwire stated a significant number of users pay daily launch fees, which were previously increased from \$5 to \$7 and remain within Oregon State Marine Board limits while supporting grant funding. Ms. Richardson stated 43% of launch ramp sales are annual passes, which helps reduce credit card processing costs, and confirmed those fees are not passed on to customers.

Port Staff propose increasing the ice rate and after-hours surcharge to better reflect actual costs. The Port has lost approximately \$827,000 over the past five years on ice operations. John Blanchard asked if the increases accounted for training or spare parts. Mr. Dwire stated the increases are primarily to offset operational costs, while ongoing staff training will continue. The Committee discussed equipment challenges at the Ice Plant and the planned installation of a new chlorinator to improve ice quality. Ms. Comstock clarified the after-hours surcharge increase reflects union contract requirements, noting call-outs require a minimum of two hours at an average labor cost of \$82.50 per hour.

Port Staff propose reducing the Shipyard single-move rate from \$569 to \$400, which includes the first hour of staff time, with each additional hour billed at \$82.50 per hour per staff member. Mr. Dwire explained the entire haul-out process typically requires two employees and takes approximately three hours for a well-maintained vessel, bringing a standard haul-out closer to actual labor costs. He stated vessels in poorer condition can require up to six hours per staff member, increasing total labor costs significantly.

The Committee discussed the cost of hauling debris and how other ports are structuring their shipyard rates to account for those expenses. Mr. Dwire stated debris disposal costs will be absorbed within the revised Shipyard rate structure. The Committee discussed that the \$82.50 hourly rate reflects only direct labor costs and does not fully capture administrative overhead or employee benefits, meaning the Port is still not fully recovering total personnel expenses. Mr. Dwire emphasized the importance of gradually adjusting rates to better align with actual costs without implementing sudden or substantial increases for customers.

Mr. Dwire stated these rate adjustments are part of a broader effort to address historical under-recovery of operational costs and move toward a more sustainable financial model. Ms. Comstock added the proposed changes have been reviewed and discussed with the Charleston Advisory Committee.

George Wales asked about County lease fees. Ms. Comstock stated the County charges a one-time fee of \$75 per new lease and \$25 per terminated lease. Lease revenue is expected to increase, with all functional buildings currently leased for the first time in several years. Only the Power Squadron and Point Adams buildings remain vacant, both requiring more strategic planning. Lot 40 near Hallmark Seafoods is expected to be leased throughout the year.

Shipyard related revenues are expected to increase, including the environmental surcharge tied to activity levels. Mr. Dwire stated it does not cover even half of the stormwater system costs. Ms. Comstock stated other revenues, including hoist rentals, shower cards, impound fees, vessel disposal, ice sales, and credit card fees, are expected to increase slightly. Mr. Leberti asked about the lodging tax in the RV Park. Ms. Richardson clarified RV Park lodging tax is largely pass-through, with only a small administrative fee retained.

\$513,000 in grant revenue is anticipated and a \$90,000 bad debt allowance has been included. Personnel costs cover 14 FTEs, with \$201,000 allocated to a dredging project. Materials and services are generally consistent, with reduced staff development costs, increased travel, higher garbage service costs due to increased usage, and lower utility projections.

Funding of approximately \$450,000 has been budgeted for the disposal of derelict vessels in the Shipyard, which is expected to be fully supported by grant funding. Contractors will be required to document and track disposal and recycling of materials, including scrap metal, e-waste, and debris, as part of grant requirements, with any recyclable value managed through the contractor.

Property insurance costs have continued to increase, an approximate \$20,000 increase in the current fiscal year and a total increase of approximately \$55,000 since FY 2023/24. The Port is anticipating receiving an SDIS safety and security grant, which will be used to increase the number of cameras in the Shipyard, as well as a cyber security grant that will help enhance the camera server. Ongoing stormwater system maintenance in the Shipyard remains a significant expense, including approximately \$16,000 annually for filtration media replacement.

Commissioner Hamner asked if funds had been added to the budget for marketing, particularly for Charleston Marina Complex. Ms. Comstock stated there was some funds designated in the Administration budget. Mr. Dwire stated he has been attending sportsman's shows. Commissioner ViksneHill asked if the Port had partnered with the VCB and asked if the Port has ever received a report on how the VCB is marketing Charleston. Matt Friesen stated the Port has partnered with the VCB on various projects, but he will discuss with the VCB what opportunities might be available for the upcoming year and ongoing collaborations. Mr. Dwire stated the VCB paid the fees for the Port to attend the Salem sportsman's show.

Approximately \$100,000 has been budgeted for sediment characterization sampling, which is required for future dredging in the Marina. This was budgeted for in the current fiscal year, but was not completed. Mr. Dwire stated it takes six to nine months to complete the testing and remains valid for five years on the Outer Basin and seven years for the Shipyard and Inner Basin, emphasizing the importance of completing this work to avoid project delays.

\$50,000 has been budgeted for the capital outlay of buildings, specifically for the Inner Basin Restroom Rehabilitation project that will be completed in the next fiscal year. Another Oregon State Marine Board

grant is anticipated to be awarded for a project that has yet to be determined, also budgeted at \$50,000. \$145,000 has been budgeted for dock capital improvement projects, which include repairs to the D dock approach for erosion and a piling replacement project.

The Port is set to receive congressionally delegated funding for a Shipyard Improvement project and expects additional funds from a Connect Oregon grant and other sources, totaling \$3.3 million for the Shipyard marine ways. The Port is seeking \$3 million for the work docks, stating the current legislative request is \$2 million with an anticipated \$1 million in matching funds.

D. Port Operations/Asset Management

Port Operations oversees infrastructure and property on the North Spit, Upper Bay, Eastside, and within the channel, as well as managing major capital projects. The projected revenues for the department are \$185,551, derived from property agreements and building leases, which is a decrease from the previous year due to the anticipated sale of the Tyree property.

Expenses include salary and benefits for one full-time employee and costs allocated to the dredge project in Garibaldi. Materials and services budget is largely consistent with previous years, with the exception of an increase to fire protection services by the Department of Forestry, vegetation control, and alarm monitoring for Terminal One.

E. Railroad Operations

The Port of Coos Bay owns the Coos Bay Rail Line (CBRL) infrastructure. This Railroad Department budget, within the Port's General Fund, allocates revenues and expenses related to upgrading and rehabilitating the rail line infrastructure and maintaining Port owned Rail assets. This budget does not cover operations, which is budgeted within the CBRL fund and is separately reviewed and approved by the CBRL Budget Committee and adopted by the CBRL Board of Directors.

Projected revenues for the Railroad Department total \$788,764. \$317,000 is budgeted to be received from the 45G tax credit, and \$245,893 is budgeted from railroad property agreements (private railroad crossings, right of entry agreements, and utility crossings). The Railroad Department anticipates receiving \$225,872 in Capital Projects Surcharge Fees, which is based on the number of car movements projected. During the upcoming fiscal year, CBRL is projected to transport approximately 4,336 rail cars on the line.

There are no rail employees in the Port budget. All employees are in the CBRL fund. Materials and services cover insurance of Port owned rail assets (vehicles, equipment, property, and locomotives), professional services for the broker fee for the 45G tax credit, and Stantec's on call railroad engineering services. \$411,000 is budgeted in repairs and maintenance of bridges and track for emergency repairs. No capital improvement projects are budgeted at this time.

Mr. Wales asked about the Swingspan bridge. Ms. Comstock stated the Swingspan bridge is currently out of service and lacks any allocated budget for maintenance or repairs. She stated that simply restoring the bridge to operation, specifically providing the necessary power and controls to turn the bridge, would cost over \$1 million, and is more realistically estimated at closer to \$2 million. She stated that estimate does not include any further structural work required to support train traffic.

F. Special Projects & Reserve Funds

The Special Projects Fund budgets capital projects and other major projects that are predominately funded from outside of the Port's General Fund revenues. This includes \$44 million related to the Pacific Coast Intermodal Port and Channel Modification projects. An administrative fee is also incorporated into these projects, which is budgeted to be transferred to the General Fund, but is placed in contingency. The Shipyard Improvement Project for the marine ways and the work docks are anticipated to receive \$6.3 million. The Port applied for a Brownfield grant through the EPA to do studies and reports on Port properties, including Terminal One, and anticipates receiving a grant to complete a feasibility study on the Rails to Trails project.

The Reserve Fund projects a beginning fund balance of \$1 million, which is internally allocated between Railroad Reserve and General Reserve. There is no plan to add to or use from this fund for the upcoming fiscal year.

G. Dredge Operations

The Port manages, maintains, and operates a dredge owned by the State that is available to any port that needs it. The port that the Port of Coos Bay dredges pays for actual, non-inflated costs, which save them thousands of dollars compared to hiring a private contractor to dredge. During the 2024/25 fiscal year, Port staff dredged the Port of Garibaldi with the state-owned dredge, but the project was left incomplete due to technical issues with the slurry pump on the dredge. Port staff were planning to dredge Garibaldi again this current fiscal year, but permitting issues prevented the Port from proceeding. The Port has planned to fulfill the commitment to the Port of Garibaldi during the upcoming fiscal year. The dredge mobilizes in October to dredge during the in-water work window of November 1 through mid-February, with three members of the maintenance staff being deployed for the project.

All costs incurred by the Port for dredging other ports are reimbursed at actual cost, and the Port does not receive a profit for the service provided by dredging other ports. The Port anticipates expending and being reimbursed \$939,044 for this project, which includes maintenance and insurance of equipment, preparation, mobilization, and the actual dredging. Managing the dredge on behalf of the State places a great burden on staff and the Charleston Marina, especially during the five to six months Maintenance staff are away. The Committee discussed maintenance in the marina lacking during the time the staff are away dredging other ports. When there is no other port to dredge, the Port is able to utilize the dredge in the Marina and save thousands of dollars dredging in-house. Ms. Comstock stated she is contemplating whether or not the Port will continue providing this service after this fiscal year.

6. Public/ Committee Comment

No public comments were received.

Commissioner Stevens stated he understands the need to raise rates, but suggested that the Port should be mindful of how these increases affect the general public versus industry-specific users.

Mr. Blanchard stated the Port should operate like a business. He stated facilities like the Ice Plant and Shipyard, which have historically operated at a loss, should be supported by the users who consume those services rather than through tax subsidies, ensuring the facilities remain viable for future generations.

Mr. Wales stated there are detractors to the other shipyards in the region and would like to see investment into the Charleston Shipyard. Mr. Blanchard agreed and stated the importance of offering a high quality

product to attract good clients and remain competitive with other regional shipyards, rather than just relying on low prices.

Mr. Leberti asked about the increasing number of abandoned vessels anchored in the channel, and if the State would take responsibility for the vessels if they eventually sank. Mr. Wales stated the Port has limited authority to boats anchored outside of the Federal waterway, which would fall under State rather than local or Federal jurisdiction.

Commissioner Roblan thanked the Committee and community members who dedicate their time to the Budget Committee and Charleston Advisory Committee roles. He stated the Port could not function effectively without their volunteer participation.

7. [Present The Motions To Recommend The Budget To The Port Commission For Adoption, Or Schedule A Follow-Up Meeting](#)

Upon a motion by Arnie Roblan (second by Elise Hamner) the Budget Committee voted to approve imposing the Port's maximum permanent tax rate of \$0.6119 per \$1,000 taxable assessed value for fiscal year 2026/27. **Motion Passed Unanimously.** (Ayes: Blanchard, Davidson, Hamner, Leberti, Roblan, Stevens, ViksneHill, Wales, and Woodward. Nays: None. Absent: Edwards.)

Upon a motion by Arnie Roblan (second by Elise Hamner) the Budget Committee voted to approve the proposed budget for fiscal year 2026/27 and recommend to the Board of Commissioners for adoption. **Motion Passed Unanimously.** (Ayes: Blanchard, Davidson, Hamner, Leberti, Roblan, Stevens, ViksneHill, Wales, and Woodward. Nays: None. Absent: Edwards.)

8. [Adjourn Meeting](#)

President Stevens adjourned the meeting at 2:24 p.m.