

# Charleston Advisory Committee Meeting

Wednesday, February 15, 2023 12:00pm

Charleston Marina RV Park  
63402 Kingfisher Road, Charleston, OR 97420



M E M O R A N D U M

TO: Charleston Marina Advisory Committee and All Interested Parties  
FROM: Steve Bawn, Marina Manager  
DATE: February 8, 2023  
SUBJECT: Charleston Marina Advisory Committee Meeting Notice

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A regular meeting of the Charleston Marina Advisory Committee has been scheduled for:

**DATE:** Wednesday, February 15, 2023

**TIME:** 12:00 p.m. – 1:30 p.m.

**LOCATION:** Charleston Marina RV Park  
Recreation Room 63402 Kingfisher Road  
Charleston, OR 97420

**VIRTUAL:**

<https://us06web.zoom.us/j/84551599371?pwd=cWlEWlEhFTlQ3NHh2aGFxcnNsTDA2Zz09>

**Via Phone:** (669) 900-6833

**Meeting ID:** 845 5159 9371

**Passcode:** 656872

Members of the public may attend and provide comment to the Committee in person or via Zoom. The Committee will be attending Zoom telephonically (not via video).

Lunch will be provided for the Charleston Marina Advisory Committee members. Guests are encouraged to bring their own lunch. Many local businesses offer boxed and to-go lunches. Please feel free to contact any of them to purchase a meal to bring to the meeting, or feel free to bring your own.

SB/lf

**OREGON INTERNATIONAL PORT OF COOS BAY  
CHARLESTON MARINA ADVISORY COMMITTEE MEETING  
12:00 p.m., Wednesday, February 15, 2023  
Charleston Marina RV Park Recreation Room**

**T E N T A T I V E   A G E N D A**

- 1.** Call Meeting to Order
- 2.** Introduction of Guests and Port Staff
- 3.** Review and Approval of February 23, 2022 Meeting Minutes
- 4.** Review and Approval of May 4, 2022 Meeting Minutes
- 5.** Financial Data Review
- 6.** Current Marina Projects Update
  - a. Moorage Insurance Requirement Update
  - b. Fishery Biproduct Project
  - c. Ice Plant
  - d. Charleston Marina Dredging
  - e. Charleston Marina Maintenance Plan
  - f. Other
- 7.** Current Port Projects Update
  - a. Dredging Section 107
  - b. North Jetty Repair Project
  - c. Other
- 8.** Roundtable Discussion on Facilities Maintenance Needs/New Issues from the Customers' and Staff Perspectives
- 9.** Public Comment
- 10.** Committee Comments
- 11.** Next Tentative Meeting Date: Wednesday, May 3, 2023 at 12:00 p.m.
- 12.** Adjourn

# Review Meeting Minutes

**OREGON INTERNATIONAL PORT OF COOS BAY  
CHARLESTON MARINA ADVISORY COMMITTEE MEETING  
12:00 p.m., Wednesday, February 23, 2022  
Charleston Marina RV Park, Recreation Room**

**DRAFT MINUTES**

**ATTENDANCE**

**Advisory Members:**

Nick Nylander, Chair; Mark Fleck, Vice Chair; Lou Leberti; Kyle Cox; Michael Armstrong; Kathleen Hornstuen; and Knute Nemeth.

**Port Staff:**

Brandon Collura, Harbormaster; Mike Dunning, Chief Port Operations Officer; Lanelle Comstock, Chief Administrative Officer; Margaret Barber, Director of External Affairs and Business Development; Cheryl Charitar, Charleston Office Administrator; Ray Dwire, Security; Mickey Pulse, Maintenance Operator; Dani Erm, RV Park Administrative Assistant; and Krystal Karcher, Administrative Assistant.

**Guests:**

John Payne; Mathew Clarke; Rachelle Foster; Lance Porteur; John Perry; Mike Hage; John Moir; David Young; Otar Overacker; Richard Shore; and Ed Fleming.

**1. CALL MEETING TO ORDER**

Chair Nick Nylander called the meeting to order at 12:00 p.m.

**2. INTRODUCTION OF GUESTS**

**3. REVIEW AND APPROVAL OF MEETING MINUTES**

**A. Approval of May 5, 2021 Meeting Minutes**

Upon a motion by Michael Armstrong (Second by Knute Nemeth), the Charleston Advisory Committee Members voted to approve the May 5, 2021 Meeting Minutes. **Motion Passed.**

**4. FINANCIAL DATA REVIEW**

Harbormaster Brandon Collura reviewed the financial data for Charleston Operations, as included in the packet, the financial data review covers the first half of the fiscal year. Charleston operating income was ahead of plan at \$1.297 million versus a budget of \$1.185 million. Personnel expenses were lower than budget by \$41,060. Operating expenses also came in under budget at \$440,696 versus a budget of \$505,076. Total operating expenses were \$810,577 with a budget of \$916,017. Charleston net result was a gain of \$117,140 versus a budgeted loss of \$223,321. The gain, which is better than plan by \$340,461 is due in part to revenues being within 9% of plan. Revenues across the Marina performed

better than plan and made up for the shortfall created by the lack of ice sales. Year to date maintenance expenses are underspent due to the timing of projects. Other revenues and expenses are below plan due to the timing of capital projects planned for the year. Projects are underway in recent months but have not been reflected in the financial data being presented. Assuming the current trends continue, the projected operating results would end the year about \$218,000 better than budget.

Kyle Cox asked what happens when extra money is saved. Mr. Collura stated if there is any type of surplus at the end of the year it would be reallocated to another project, through a supplemental budget if needed. Kathleen Hornstuen asked if the Master Plan is consulted when considering which projects to fund. Mr. Collura confirmed it is.

## **5. CURRENT MARINA PROJECTS UPDATE**

Mr. Collura stated it has been nearly a year since this group met so there are a number of updates. He asked that everyone hold their questions until the end of each segment to keep the meeting organized.

The most recent capital improvement project completed was the replacement of 20 piling in the Inner Basin between G and H docks, at a cost of \$99,500. Also just recently completed was the replacement of the media for the Shipyard stormwater system. This media is an essential component of running the Shipyard and meeting DEQ requirements. This capital expenditure cost \$122,000 and is needed every five years. There has been approximately \$35,000 spent to date this fiscal year to repair 13 fingers in the Inner and Outer Basins, and to either repair or replace 21 electrical pedestals. Staff will continue to work on finger repairs as they are able to throughout the Spring.

The roof of the Giddings building sustained damage in the windstorm of early January 2022. Temporary repairs were made and staff are awaiting quotes from multiple roofing companies to make permanent repairs. Some companies are backed up into the Summer, but staff are hopeful that bids will come in soon and repairs will be made to that facility.

On Monday, January 10, 2022 the MV Gypsy Artist sank while tied up at the DWF dock. It was salvaged and hauled out a few days later, which came at a total cost to the Port of just under \$60,000. Costs included dive services, equipment, and staff time for maintenance and security personnel. The owner was uninsured and did not have the means to have the vessel hauled out.

Mr. Collura asked if there were any questions regarding the project updates provided. Mr. Cox asked what year the stormwater system was installed. Mr. Collura stated it was in 2017 or 2018. Knute Nemeth stated the system was a great investment to keep the Shipyard running and keep the estuary clean.

## **6. CURRENT PORT PROJECTS UPDATE**

### **A. Moorage Insurance Requirements**

Mr. Collura stated the Port currently owns 20 abandoned vessels and the cost to dispose of these vessels is estimated at \$100,000. Eighteen of these are in the Shipyard and two in the water, and there is a wait list of customers to get into the Shipyard where these vessels are being stored.

A Marina customer stated those boats at one time contributed to the harbor and paid their fees, some of them for many years bringing in a lot of fish and making money for the community. He stated this needs to be remembered, even though they now need to be removed. He stated requiring insurance for these old boats will bring more liability to the Port if something were to happen. He stated his concern that no company will insure some of the old boats and they will leave. Another customer stated he recently tried to get insurance on his boat, which was rebuilt in 1998 but originally built in 1926. It's an old wooden boat that is reasonably sound, but he was refused coverage after the haul-out and inspection.

A Marina customer offered his suggestion to put a percentage of the moorage payments for customers who can't get insurance into a fund to cover those derelict vessels and any small oil spills. He stated the days of the small wooden boat fishermen are over, and this will be another nail in their coffin. These fishermen are customers who pay for moorage services. Mr. Cox agreed there should be some type of "rainy day fund" for the Marina but stated that rates would need to be raised.

Another customer asked why the MV Gypsy Artist was being used as the catalyst for this requirement. He stated he had personally called the Port office because that vessel was not sitting right in the water. He also stated he was not the only one to report the condition and wondered if more could have been done. Mr. Collura stated multiple attempts were made to contact the owner. Mike Dunning stated the MV Gypsy Artist is not the only reason the Port is implementing this requirement. Every port on the Oregon coast has similar requirements, and Charleston is the last to implement this requirement.

A Marina customer asked if somehow the cost could be internalized or outsourced, thereby selling the right to someone that could salvage the vessels for scrap and make a profit instead of incurring a loss. Mr. Dunning stated the Port does contract for this service and spent over \$100,000 in the last few years. The customer again stated the cost could be internalized.

A Marina customer stated the MV Gypsy Artist hadn't been hauled out for many years. Mr. Dunning stated the Port is also looking at including a mandatory haul-out every few years as part of the moorage agreement. This will ensure boats stay seaworthy. Mr. Dunning stated the Port continues to get pressure from State agencies about requiring insurance.

Mr. Nemeth stated the Shipyard and the fishermen need to be maintained. A fundraising effort to appeal to the community and the State would possibly alleviate the pressure on these fishermen. If boats are lost, then business will decline in the Shipyard and elsewhere. Mr. Nemeth stated fishermen have been struggling with rising costs and regulations. If the constraints of the budget have been reached, then another approach is needed such as a public relations campaign to raise money.

Mr. Collura stated that on top of the \$100,000 the Port is planning to spend to dispose of current derelict vessels, there are an additional 32 vessels in the water that have been identified as high risk and most likely unseaworthy. To dispose of all 32 vessels would cost an estimated \$200,000 if they were on land, and \$1.9 million if all 32 sank. A Marina customer asked if a number like that would qualify as a national disaster. Mr. Collura stated if it was storm related, then possibly.

Mr. Collura stated he consulted with seven ports along the Oregon coast including Astoria, Garibaldi, Toledo, Newport, Salmon Harbor, Bandon, and Brookings. These ports all require insurance to have a moorage agreement, and also require the port to be listed as additional insured. A Marina customer asked what level of coverage will be required. Mr. Collura stated general liability coverage to include wreck removal and pollution liability at a \$500,000 coverage level. Charter vessel operations would require a \$1 million policy.

A Marina customer stated the one providing the service should be the one insured, and if the customers could collectively pay for that insurance it would solve the problem. Mr. Dunning stated Port staff will take another look at this, as it is a difficult decision that will negatively impact some vessels in the Marina, many of them hard working families doing the right thing.

Mark Fleck stated there are multiple businesses using the facility and asked if there was a way to ensure all businesses pay their fair share. Mr. Dunning stated there is a business license program, but it is hard to enforce; just as the live aboard policy is also hard to enforce. Mr. Dunning stated there should be no one using their vessel as a primary residence, as opposed to a crew staying onboard a vessel while working. There are State requirements that must be met for a Marina to allow live-aboards. Ed Fleming stated the live-aboard policy is not on the agenda today rather it is the insurance issue, and then stated there is no ordinance against living aboard. Mr. Dunning stated the discussion got off track, but the no live-aboard policy is included as part of the Ordinance 143. Mr. Fleming stated there is language in the ordinance that allows for a "live-aboard permit" and he has a letter from a former CEO stating the ordinance was never enforced. Meetings were promised to address the live-aboard issue but there were no meetings. Mr. Dunning stated this could be added to the agenda for discussion at the next meeting.

Mr. Collura stated the Board of Commissioners will be presented with the new ordinance requiring moorage customers to carry insurance. The ordinance will follow standard ordinance procedure prior to adoption, including opportunity for discussion and public comment.

Nick Nylander asked how it is decided who gets the proceeds in the event of a loss. Mr. Dunning stated the Port would be listed as additional insured so the insurance company would pay the Port directly. The Port would not profit from the loss, and any proceeds remaining would go to the vessel owner.

Mr. Armstrong asked if the Port has contacted the Oregon State Marine Board to determine if the ORS's that apply could be amended. If ORS 830.948, which excluded abandoned and derelict vessels, could be amended then the fund is already set up. Mr. Dunning stated the statute does not cover commercial vessels. Ms. Hornstuen asked if it would be worthwhile to contact legislators. Mr. Dunning stated Port staff have been working on this issue for years. Margaret Barber stated the problem has come to the forefront in recent years but a solution is likely still years out.

Mr. Nemeth stated an emergency should be declared, as this will cause the Port to lose fishermen creating an economic emergency. Mr. Nemeth stated the fishermen pay their fees and the Port has worked hard but if the money is not in the budget, then an emergency declaration would take action to solve the issue. Mr. Dunning stated other ports have implemented this policy without an emergency declaration, so it would be hard to make the case that Charleston is different or special.

A Marina customer stated this Marina is the last bastion of hope for small boat owners who have left the other ports. Mr. Dunning stated it would be good to know how many small boats this would affect. A Marina customer asked if anything could be done to include the cost of insurance in the moorage fee. Mr. Dunning stated revenue currently collected from moorage doesn't cover the overhead to operate the facility and adding this cost would increase rates exponentially. Mr. Armstrong stated again the Port should look at ORS 830.948. Mr. Dunning stated the Port has used this program, as recently as this year but it doesn't cover all the problem.

A Marina customer stated there is a vessel in the South Slough Estuary that sank once already, and he has contacted multiple agencies but nothing has been done. He stated if the insurance requirement goes through, there will be more like this. Another Marina customer asked whether money had been taken



from Charleston to fund the Railroad operations. Mr. Dunning confirmed that no money has gone from Charleston to the Railroad. Mr. Cox stated the money and budgets may be separate, but the Railroad does take energy from Port staff which takes away from Charleston.

## **B. Community Events Update**

Ms. Barber stated community events are returning this year, including the Charleston Fisherman's Memorial which will be held on May 30, 2022 at 10 a.m. The Seafood Festival will also return the second week in August and Octoberfish will be held the first weekend in October.

## **C. Charleston Marina Complex Planning and Survey**

Staff has been working on a community survey which will help to determine the greatest needs for the Charleston Marina Complex. The survey will be distributed to a broad spectrum of stakeholders to solicit feedback which will help establish priorities in capital projects planning for the coming years. Capital projects are often driven by funding availability and there are many infrastructure needs in Charleston.

Mr. Cox asked whether the survey would include certain properties and if they would change or remain the same, such as the Shipyard. Ms. Barber stated it is still in the development process, but staff are envisioning a survey that will address all aspects of the complex. Mr. Cox asked whether this will be just a questionnaire or a more in-depth look. Ms. Barber stated it will begin with a survey and then the results will determine the next steps. Mr. Cox asked who will receive the survey. Ms. Barber stated it will go to a large list of stakeholders, and staff will encourage people to share it. Mr. Nemeth asked if Port district taxpayers would also be given notification. Ms. Barber stated the primary focus will be on people with a vested interest in Charleston.

Mr. Cox asked to clarify something CEO John Burns had said in an email communication regarding uses of the Shipyard property, and whether it would become something other than a Shipyard. Mr. Cox asked if the intention of the Port was to get rid of the Shipyard. Mr. Dunning stated he is not aware of such plans but cannot speak for Mr. Burns who is not present.

Mr. Cox stated he has applied for a Connect Oregon grant of \$5 million to replace all the docks in the Shipyard. Lou Leberti asked if the grant was to replace Port owned docks why the Port doesn't apply. Mr. Dunning stated the business operating the docks must be the one to apply. Mr. Leberti then asked about grants for the railroad. Mr. Dunning stated those grants are to fix the infrastructure of the railroad. Grant money cannot be used for anything other than the intended project. The Port does not profit from grants and often there are match dollars required.

## **D. Dredging Section 107**

Mr. Dunning stated Section 107 of the Continuing Authorities Act is through the US Army Corps of Engineers. The last time the Port dredged near Point Adams it cost \$186,000 to remove 14,000 CY. The Continuing Authorities Act would have the Federal government take over the navigation channel from the beginning of Pt. Adams to the boat ramp. Dredging of this area would then fall under Federal responsibility. This will entail a feasibility study at a cost of \$600,000 with the Port paying about \$200,000 of that. The study will take about two years and the Corps has initial funding to start the study. Mr. Dunning stated the Port would be responsible for 10% of the dredging cost under this act.

## **E. North Jetty Repair Project**

Mr. Dunning stated the North Jetty Repair Project is moving forward, with the \$68 million in funding having been approved. There is a small delay in that one contractor has protested the award, so it will now go through the public contracting process for protest. After that, it is likely the contractor will start mobilizing in equipment and rock to the site.

## **7. ROUNDTABLE DISCUSSION ON FACILITIES MAINTENANCE NEEDS**

Chair Nick Nylander asked for any committee or staff input on the facilities maintenance needs.

Mr. Dunning shared that a Maintenance Operator has been hired for the Marina, taking the position that will be vacated when Rick Stewart retires in about a month. Mr. Dunning also stated that he (himself) will be more directly overseeing Charleston Operations going forward and will be more involved.

Mr. Nemeth asked if any progress has been made with the paving of Troller Road. Mr. Dunning stated efforts continue to move this issue forward. The County has vacated the maintenance of this road.

Ms. Hornstuen asked if the RV Park Rec Room would be available again for local non-profits to meet. Lanelle Comstock stated it has been made available recently. Ms. Hornstuen stated the Marine Life Center is open again on Fridays and Saturdays.

## **8. PUBLIC COMMENT**

Ed Fleming, Marina customer, stated there should be more meetings regarding only the insurance requirement so that all questions can be answered and concerns addressed. Mr. Fleming suggested the Port notify all moorage customers by mail of the requirements and any proposed ordinances, and any meetings to be held in the future. Mr. Fleming stated there should be a long time frame to comply prior to enforcing any penalty. Mr. Fleming stated with 32 non-seaworthy boats, if the owners' intentions are to make those boats seaworthy, they would all need to be hauled out.

Mr. Fleming asked when the action item will go to Commission for approval. Mr. Collura stated the original intent was for March, but staff will evaluate the feedback from this meeting. Mr. Fleming asked for confirmation that it would not go to Commission in March. Mr. Collura stated that is undetermined at this time. Mr. Fleming stated the time frame is important to know for customers who want to make additional objections, and more information needs to be shared as to what coverage will be required. Mr. Collura stated the ordinance will require a general liability policy with \$500,000 minimum coverage inclusive of wreck removal and pollution liability, with the Oregon International Port of Coos Bay listed as additional insured. This is for recreational and commercial vessels, and charter vessels will need a \$1 million policy.

Mr. Fleming asked if the Port could provide contact information for insurance providers who might offer coverage for older vessels, that it would be helpful for customers to have that information. Mr. Collura stated he would put together a short list. Mr. Fleming asked if there would be another meeting regarding this issue. Mr. Collura stated there no plans for another meeting. The Port Commission meetings have public comment time available. Ms. Comstock stated the ordinance will go before Commissioners twice

prior to approval. There will be two different readings, then 30 days after adoption prior to the ordinance taking effect.

**9. COMMITTEE COMMENT**

Mr. Armstrong restated his earlier suggestion to look into the ORS 839.911, which includes vessels abandoned in the navigation channel or those in danger of sinking. Mr. Armstrong stated this statute covers vessels anywhere in the water and is a tool the Port could use.

**10. NEXT MEETING DATE**

The next committee meeting is scheduled for Wednesday, May 4, 2022 at 12:00 p.m.

**11. ADJOURN**

Chair Nick Nylander adjourned the meeting at 1:40 p.m.

**OREGON INTERNATIONAL PORT OF COOS BAY  
CHARLESTON MARINA ADVISORY COMMITTEE MEETING  
12:00 p.m., Wednesday, May 4, 2022  
Charleston Marina RV Park, Recreation Room**

**DRAFT MINUTES**

**ATTENDANCE**

**Advisory Members:**

Chair Nick Nylander, Kathleen Hornstuen, and Knute Nemeth. Vice Chair Mark Fleck, Lou Leberti, Kyle Cox, and Michael Armstrong were absent.

**Port Staff:**

Mike Dunning, Chief Port Operations Officer; Chris Cranford, Project Coordinator; and Krystal Karcher, Administrative Assistant.

**Guests:**

Ed Fleming, John Payne, Fred Garland, Mike Wright, Robert Hadden, David Sakoda, David Young, and Tom Muse.

**1. CALL MEETING TO ORDER**

Chair Nick Nylander called the meeting to order at 12:07 p.m.

**2. INTRODUCTION OF GUESTS**

**3. REVIEW AND APPROVAL OF MEETING MINUTES**

**A. Approval of February 23, 2022 Meeting Minutes**

Quorum was not present; minutes were reviewed and will be voted on at the next meeting. A Marina customer asked if minutes are posted on the Port's website. Krystal Karcher stated that once approved, minutes are posted online.

A Marina customer asked about the Port upholding moorage contracts or if those would be terminated due to implementation of the insurance program. Mike Dunning stated if customers don't meet the requirements by the deadline, then the moorage agreement would be subject to termination. This will be covered further later in the agenda.

**4. FINANCIAL DATA REVIEW**

Mr. Dunning reviewed the financial data for Charleston Operations. Year to date operating income is about \$1.7 million against a budgeted \$1.6 million. This was higher than expected due to increased traffic in the RV Park over the winter, which helped to cover the shortage from ice sales, down about

\$60K from budget. Net results were a loss of \$117K against a budgeted loss of \$330K. Projected year end net results would be a loss of \$8,664 against a budget loss of \$221K. Year to date revenues from ice sales are about \$147K. Even with two months of shrimp season ahead, it is not projected to meet the budgeted sales of \$300K. The price of ice is \$91 per ton and it costs the Port about \$132 per ton to make it. There is a program for customers who buy large volume to get money back at the end of the year.

## **5. DISCUSSION OF BUDGET AND PROPOSED RATES FOR FY 2022/23**

Mr. Dunning stated at this time, Port staff is still working to finalize the budget. Rate increases will be proposed due in part to inflation. The current CPI for this area is about 8% but the Port is not proposing an increase that large; a 6% increase will be recommended on most services. All moorage rates will increase 6% except semi-annuals. This is based on market research, which is conducted each year by looking at comparable facilities on the Oregon coast. Newport is proposing a 7.8% increase this year.

Short term rates in the Shipyard will increase 6%. The Port will propose a change to the policy and structure of the long term Shipyard rates. There is a waiting list of customers and boats that have been in there for many years. The Port currently owns 20 boats and has a contract for their destruction at a cost of about \$70K. The proposed change to long term rates would include a scheduled increase where the rate would go up 25% every six months for two years. This change in policy is designed to curb the number of boats sitting years and falling apart. This is not the best use of Port resources. Kathy Hornstuen asked if the large number of boats is going to cost less than was estimated for individual boats. Mr. Dunning confirmed, stating the Port has never destroyed 20 at one time.

Ed Fleming asked what the rate would start at for Shipyard long term. Mr. Dunning stated it will go up 6% from the current rate at the beginning of the fiscal year. Existing customers would not see an increase until six months after that, or in January of 2023. This will give customers time to plan what to do with their vessels. The intent of this facility is not for boats to sit indefinitely, it is to provide a space for people to work on long term projects.

A Marina customer asked if there were alternate plans being considered for the Shipyard. Mr. Dunning stated there will be a survey to determine the needs of the Marina Complex including the Shipyard, as discussed at the previous meeting. This survey will give Port staff the opportunity to look at what can and should be done with the Shipyard. Under consideration could be developing more short term storage spots, paving the Shipyard, or cleaning it up and expanding access to power. This is what Port staff are looking for feedback on. The customer stated that the Shipyard is necessary for the Marina and for the fishing fleet. Mr. Dunning agreed, stating the Port utilizes the Shipyard to haul boats out and fix docks there, as well as other maintenance activities. Mr. Dunning further stated there have been many rumors, including one that the Port intends to build condos on that property which is not true. The customer further stated he had done an unofficial survey of the marina and estimates there are about 40 wooden boats, of which the insurance requirements will eliminate over 90%. The customer also asked about live-aboards, stating he estimates there are 60 in the Marina. He stated the insurance requirements being implemented will result in a loss of income for the Port close to \$250,000 annually. Mr. Dunning stated Port staff have also done the calculations and knows there will be a loss of income.

Ms. Hornstuen asked if there will be a workshop to discuss plans and needs for the Port. Mr. Dunning stated there will be an update to the Charleston Master Plan as part of the Port's Strategic Business Plan update. It will no longer be a separate plan. Work will begin on the update in about two or three years, as the State requires it every 10 years.

Mr. Fleming stated in the short term work area there are boats that have been sitting and preventing people from hauling out who need power. Mr. Fleming asked what the plan is to deal with these vessels. Mr. Dunning stated Port staff will be looking into these vessels. Mr. Fleming stated cleaning up the long term area would take pressure off the availability in the short term area. Mr. Dunning stated the Shipyard needs to be cleaned up and Port staff will be working on that.

Mr. Dunning stated the Environmental Fee will go from 11% up to 15%. Fees for the work docks will not be increasing. A customer asked about the bilge pump out being operational. Mr. Dunning stated staff have been using extension on the hose and then pumping out from the concrete dock. The customer stated he had talked to the someone there who said the pump out was not working. Mr. Dunning stated he will look into that as he is unaware of the pump out not being operational.

A Marina customer asked about smaller charter boats being required to have insurance. Mr. Dunning said the insurance requirements will be for those who have a moorage agreement or utilize Shipyard services. Mr. Dunning stated this will be discussed further after the discussion of rates is complete.

Travel lift rates and forklift services will go up 6%. Storage units and ground leases will also go up 6%. Ms. Hornstuen asked when the rate will increase. Mr. Dunning stated it will go into effect with the new budget cycle on July 1, 2022. The budget is set to be approved in June by the Commission.

A Marina customer asked if those who have already paid their annual would have to pay the increased rates. Mr. Dunning stated the rate increase would take effect when their annual comes due again. Semi-annual rates are not being increased.

## **6. DISCUSSION OF ORDINANCE 147 ADOPTION**

Mr. Dunning stated the Board of Commissioners approved Ordinance 147 at their last meeting. Beginning May 19, 2022 new vessels in the Marina will be required to show proof of insurance, and on July 19, 2022 existing customers will need to have insurance in place. Ms. Hornstuen asked what the procedure will be for showing proof of insurance. Mr. Dunning stated the customer will need to come to the Marina office by the deadline. Ms. Hornstuen asked if there would be any contingency for customers who are waiting for their haul out. Mr. Dunning stated currently the local surveyor has plenty of availability, and that people are not experiencing delay right now. Mr. Dunning stated a customer had called the other day after being upset about the insurance implementation and she stated they have multiple boats and were able to obtain insurance without a survey. Other marinas have said that many people were surprised at how they were able to get insurance. Not every boat will need a survey. Many companies will provide insurance based on what can be seen above water and have a provision for further survey the next time out of water.

Mr. Fleming asked if an 18' boat in the water would need a \$500,000 policy. Mr. Dunning stated if it is moored in the marina, then yes. Mr. Fleming asked about the boats being launched at the launch ramp. Mr. Dunning stated those boats are difficult to track, but if they rent a slip, they will be required to show the appropriate insurance.

A Marina customer stated he was under the impression that the Ordinance was to be approved at this meeting. Mr. Dunning stated it has already approved by the Board of Commissioners.

A Marina customer asked what would happen if a customer had paid their annual moorage but then didn't obtain insurance by the deadline. Mr. Dunning stated if insurance is not in place by the deadline, the moorage contract is subject to termination and the boat would then need to be removed from the facility. The customer then asked what happens to the remaining moorage paid. Mr. Dunning stated it would be looked at on a case by case basis. There would be additional costs associated with impound.

Mr. Fleming stated at the last meeting it was discussed to provide a list of insurance agents. Mr. Dunning stated he will look into that. A Marina customer stated Progressive has an automated site. Another Marina customer stated if a small boat sinks, the cost would be minimal and a \$500,000 policy seems high. Another complaint circulating is that in the Shipyard there is a requirement for \$250,000 insurance just to have a mast or fishing gear stored. Mr. Dunning stated this is a misrepresentation of the policy, a boat in the Shipyard needs to have a \$250,000 policy but not a piece of equipment. Mr. Dunning stated small boats have been taken into consideration with this policy and should something happen, the potential is there for another boat to be involved, such as a fire that spreads.

A Marina customer asked whether the insurance is being implemented to clear vessels out of the Shipyard to make room for offshore wind energy. Mr. Dunning stated that is a rumor and there has been nothing in the Shipyard being considered to accommodate offshore wind. Knute Nemeth stated there is a meeting at the Mill Casino this afternoon regarding the offshore wind energy proposal. There will be State Representatives and local people in attendance.

A Marina customer brought up the condition of Troller Road. Mr. Dunning stated the County has vacated the maintenance of the road but still owns it. The Port has tried in the past to get a group of adjacent property owners together to fix it, but it did not come together. Mr. Dunning stated the Port has tried temporary fixes in the past and are currently looking at alternatives. Mr. Dunning stated the Port has contacted the County Road Department about this issue.

## **7. CURRENT PROJECTS UPDATE**

Mr. Dunning stated the Giddings building roof was repaired after damage it sustained in the storm earlier this year. It was difficult to get a contractor but that project is now complete. The contract for repair of the maintenance shop building roof has been awarded. The cost and availability of a contractor necessitated a smaller scope of work, which will be around \$48,000. The material is on order and work will begin in the next few weeks. The F-dock gangway will be replaced after being struck by a vessel. The cost of repair was nearly the cost of the new gangway and will be covered by insurance. The pod is in to repair the ice dock after the allision there. Crews are waiting for the new whaler to be pressure treated and then that will be fixed. Repairs will take a day or two.

There are funds budgeted next year for continued piling repair and replacement, as well as for additional dock work. There is \$150,000 budgeted for the feasibility study for the Section 107 dredging with the Army Corps. This will provide a significant cost savings to the Port in the future. There are also funds included to do some dredging in the Marina this year. The decision is still being made as to whether that will be with the State owned equipment or with the Army Corps.

A Marina customer asked if funding for the jetty repair is still included. Mr. Dunning stated \$68 million has been approved for that work. Mr. Fleming stated dredging of the Marina is needed; he is going aground with anything less than a minus tide of -0.1 and some of the channels are unnavigable during low tides. Mr. Fleming stated every dock in the outer area has this problem. Mr. Dunning stated he will

take a look. Mr. Fleming asked about the need for a booster pump. Mr. Dunning stated this is part of the decision making process. Without the booster pump, the State equipment cannot reach the outer docks. It is too far to push the material. Mr. Dunning stated there is currently a backlog of nearly 150,000 cubic yards of material. Mr. Fleming asked if a clamshell dredge was an option. Mr. Dunning stated that would cost nearly \$2 million and the Port does not have funding available.

## **8. ROUNDTABLE DISCUSSION ON FACILITIES MAINTENANCE NEEDS**

Mr. Nemeth stated the Port needs to work with the State to obtain the best deal on the booster pump in order to dredge the Marina and maintain the depth needed.

A Marina customer stated the shower and toilet facilities have been improved recently. Mr. Dunning stated the Port continues to see vandalism in the restrooms and is looking to find the best solution to prevent further incidents, including tightening the window these facilities are open. The vandalism is most commonly accruing between the hours of 4-10 pm.

## **9. PUBLIC COMMENT**

Ed Fleming stated in recent years the afterhours permit for the Shipyard has been reinstated to allow people to stay on their vessels while actively working on them, and it is important to keep that permitting process going. It contributes to people being able to keep their vessels seaworthy. There are people who live out of town and the travel expenses can become prohibitive. Mr. Dunning stated he has a meeting with CEO John Burns this week about that topic. The permit is intended as short term and people in the past have created problems in the Shipyard by abusing the privilege.

Mr. Fleming stated that not allowing people to stay on their vessels contributed to additional unseaworthy vessels in the Marina. Mr. Dunning stated the insurance requirements should help to lessen the number of unseaworthy vessels and the Port will be taking a closer look at those who have sat for long periods of time. Port policy is clear that a boat must be able to operate under its own power to be seaworthy, and if a boat is not seaworthy it cannot stay in the Marina. Mr. Dunning stated the Port will also look to initiate a mandatory haul out schedule, whether that is every two years or three is still being determined.

A Marina customer stated the number of boats without current registration is significant. Mr. Dunning stated that will be checked with the implementation of the insurance requirements.

A Marina customer asked if an underwater inspection and cleaning would suffice to meet the haul out requirement. Mr. Dunning cautioned that people should be careful doing this, as it may not be allowed by Best Management Practices if the State does not allow scraping of boats underwater. Mr. Dunning stated he will check into this further.

## **10. COMMITTEE COMMENT**

Mr. Nylander stated those who have a favorable encounter with an insurance company should share that information with other customers. Mr. Dunning stated if a customer is having difficulty in obtaining the insurance, to communicate with Port staff.



Mr. Fleming asked when the Port's next budget meeting is scheduled. Ms. Karcher stated the Budget Committee will meet on May 25, 2022 at 12:00 pm. The budget will then be sent to the Port Commission for adoption and that meeting is currently scheduled for June 21, 2022.

A Marina customer asked about the future of live-aboards in the Marina. Mr. Dunning stated that will have to be addressed at a future meeting. The Ordinance is clear that someone living aboard a vessel must have a permit and there are no current permits. The State has certain requirements including a floating pump-out service. The Port will evaluate the best path forward and what needs to be done to meet those requirements to allow the live-aboards.

**11. NEXT MEETING DATE**

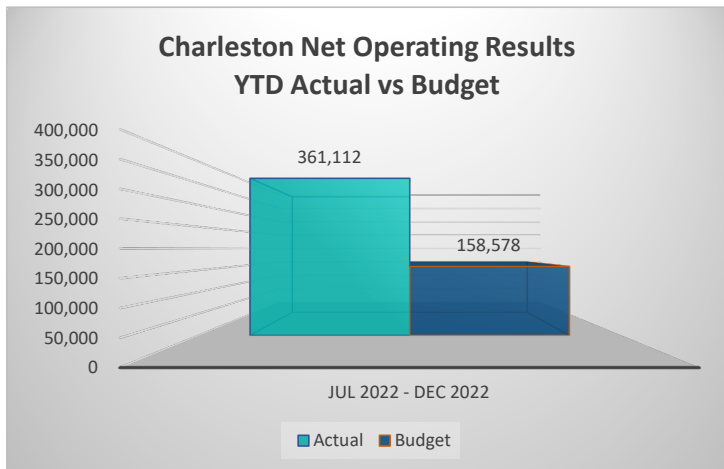
The next meeting is scheduled for Wednesday, July 20, 2022 at 12:00 p.m.

**12. ADJOURN**

Chair Nick Nylander adjourned the meeting at 1:30 p.m.

# Financial Data Review

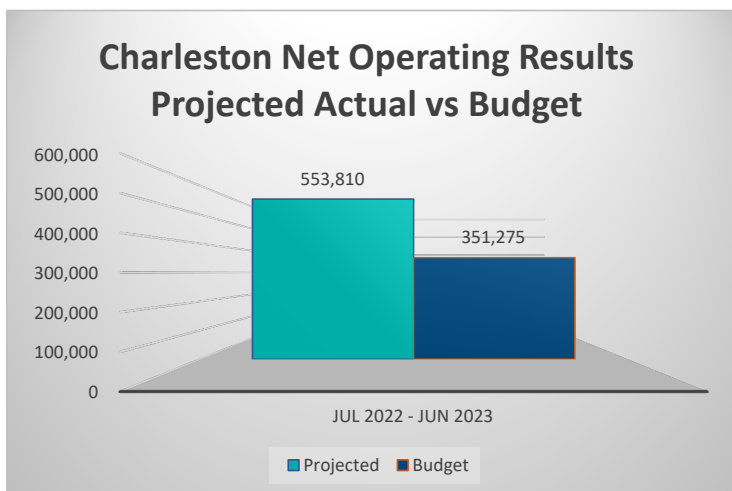
	Year to Date								Year End		
	Jul 2022 - Dec 2022				Prior FYTD vs Current FYTD				Jul 2022 - Jun 2023		
	Actual	Budget	\$ Diff	% Diff	Last FY	\$ Diff	% Diff	Projected	Budget	% Diff	
Charleston Operating Income	1,288,652	1,358,172	(69,520)	(5%)	1,297,172	(8,520)	(1%)	2,523,632	2,593,152	(3%)	
Charleston Personnel Expenses	307,978	418,532	(110,554)	(26%)	369,881	(61,903)	(17%)	726,509	837,063	(13%)	
Charleston Operating Expenses	619,562	781,063	(161,501)	(21%)	440,696	178,866	41%	1,243,313	1,404,814	(11%)	
Charleston Total Expenses	927,540	1,199,595	(272,055)	(23%)	810,577	116,963	14%	1,969,822	2,241,877	(12%)	
Charleston Operating Results	361,112	158,578	202,535	128%	486,595	125,483	(26%)	553,810	351,275	(58%)	
Other Income	63,717	67,500	(3,783)	(6%)	7,529	56,189	746%	76,217	80,000	(5%)	
Other Expense	440,957	431,970	8,987	2%	370,448	70,509	19%	489,775	480,788	2%	
Net Other Income	(377,239)	(364,470)	(12,769)	-4%	7,529	384,768	(5111%)	(413,557)	(400,788)	3%	
<b>Charleston Net Results</b>	<b>(16,127)</b>	<b>(205,893)</b>	<b>189,766</b>	<b>92%</b>	<b>123,676</b>	<b>139,803</b>	<b>(113%)</b>	<b>140,253</b>	<b>(49,513)</b>	<b>(383%)</b>	



Charleston Marina is showing an operating result of a \$361K gain compared to a budgeted gain of \$159K, which is \$203K better than plan.

This is due, in part, to the following factors:

- Revenues are within 5% of what was budgeted for year to date. Revenues across the Marina and RV Park performed better than plan and made up for the \$60K shortfall created by the lack of ice sales and lower than anticipated Moorage.
- Year to date expenses are underspent by about 23%. Charleston staff was busy focusing on completing Dredge Operations. The remainder of the dredge expenses will not be reflected in the financials until January.
- Other Revenue and Expenses within 4% of budget. Lower revenues are due to the timing of grant funded projects. And the over expenditure has to do with the timing of capital projects related to piling in the Marina.



Based on current information, projected operating results would end the year \$140K better than budget.