

**OREGON INTERNATIONAL PORT OF COOS BAY**  
**Coos Bay, Oregon**  
**REGULAR COMMISSION MEETING & BUDGET HEARING**  
**3:00 p.m., Tuesday, June 22, 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; Megan Richardson, Director of Finance and Accounting; Brandon Collura, Charleston Harbormaster; Margaret Barber, Director of External Affairs and Business Development; Rich Lopez, General Manager, Coos Bay Rail Line; Krystal Moffett, Administrative Assistant; and Mike Stebbins, Port Legal Counsel.

**Media & Guests:**

Natalie Cheal, Scholarship Recipient.

**1. CALL MEETING TO ORDER**

President Kronsteiner called the meeting to order at 3:02 p.m.

**2. INTRODUCTION OF GUESTS AND PORT STAFF**

**3. RECOGNITION OF SCHOLARSHIP AWARD RECIPIENTS**

President Kronsteiner stated the Port of Coos Bay's mission is to promote sustainable economic development that enhances the economy of southwestern Oregon and the State. The Port's scholarship program aims to cultivate our economy by supporting the development of local youth to grow the workforce of tomorrow. Applicants were evaluated based on criteria including their academic achievement, involvement in extracurricular activities and the community, and the expectation of future success in the academic setting.

On behalf of the Port, the Board of Commissioners is pleased to present the 2021 Oregon International Port of Coos Bay Scholarship Awards to Jacob Mitchell and Natalie Cheal.

Jacob Mitchell is a North Bend High School graduate who plans to attend Southwestern Oregon Community College to complete the two-year forestry degree program, with a focus on silviculture. Jacob has worked two summers for the Coos Watershed Association as a Restoration Crew Member, gaining experience in multiple facets of natural resource management. Jacob is a third generation Coos County resident who plans to return to raise his own family here one day. A quote from Jacob's

scholarship essay: “The trees I will help cultivate, as a silviculturist, will someday be harvested, and the lumber will await export from the Port of Coos Bay.” Congratulations Jacob!

Mr. Mitchell was not able to attend the meeting today, as he is attending mandatory training with the Coos Forest Protective Association. He wrote to Commissioners that he is grateful for the support of the Port as he pursues his goal of becoming a forestry professional, gaining experience with the CFPA as a wildland seasonal fire fighter and in a variety of other resource management disciplines.

Natalie Cheal is a North Bend High School graduate who plans to attend Oregon State University, where she will major in biology to work towards her career goal of becoming an OBGYN. Natalie is valedictorian and captain of her swim team, as well as a member of the Science National Honor Society. Natalie enjoys volunteering, including with tutoring programs and working as a Blood Drive Coordinator. As an OBGYN, Natalie will help to bring new lives in this community and keep our community healthy and thriving. Congratulations Natalie!

Both of these students exemplify academic success, as well as engagement in and commitment to our community. Congratulations again to Jacob and Natalie!

Ms. Cheal thanked Commissioners for the award and stated she is grateful for the support.

#### 4. **PUBLIC COMMENT**

#### 5. **CONSENT ITEMS**

- A. Approval of May 18, 2021 Regular Commission Meeting Minutes
- B. Approval of May 26, 2021 Budget Committee Meeting Minutes
- C. Approval of June 2, 2021 Budget Committee Meeting Minutes
- D. Approval of May Invoices
- E. Approval of May Contracts Awarded

Upon a motion by Commissioner Garcia (second by Commissioner Farm), the Board of Commissioners voted to approve the May 18, 2021 Regular Commission Meeting Minutes, May 26, 2021 Budget Committee Meeting Minutes, June 2, 2021 Budget Committee Meeting Minutes, May Invoices and May Contracts Awarded. **Motion Passed.**

#### 6. **MANAGEMENT REPORTS**

All Management Reports were included within the Meeting Packet.

#### 7. **SUPPLEMENTAL BUDGET HEARING – FY 2020/21 BUDGET**

##### A. **Public Hearing**

This fiscal year there is one fund requiring a reallocation of expenditure appropriation: Dredge Fund: Dredge Ops. This reallocation removes expenditure authority from Materials and Services and adds to Personnel Services. This reallocation does not increase the expenditure appropriation in the fund.

The Dredge Fund requires a reallocation to Personnel Services from Materials and Services in order to remain in compliance. The dredge project at Port of Coos Bay took longer than anticipated and exceeded the labor estimate, which exceeded the budgeted requirements for personnel services. This reallocation will have a net-zero effect on the total appropriation level for the fund.

Staff wishes to amend the 2020/21 budget as follows:

<u>General Fund</u>	<u>Budgeted Amounts</u>	<u>New Amounts</u>	<u>Change</u>
<b>Dredge Fund</b>			
Personnel Services	78,751		52,000
Materials & Services	246,121	194,121	(52,000)
<b>Dredge Fund Total</b>	<b>324,872</b>	<b>324,872</b>	-

Under Oregon Budget Law, if a change to any one fund is greater than 10% then a budget hearing is required. Staff wishes to amend the Dredge Fund, to increase Personnel Services by \$52,000 and decrease Materials and Services by \$52,000. This is a change to the fund greater than 10% but does not change the total fund appropriation.

President Kronsteiner opened the public hearing at 3:11 p.m. and asked for any public comment or testimony on the proposed resolution. There being none, President Kronsteiner closed the public hearing at 3:11 p.m.

Upon a motion by Commissioner Farm (second by Commissioner Garcia), the Board of Commissioners motioned to approve Resolution 2021Res01 adopting the supplemental budget and reallocating appropriations to incorporate changes in the Port’s operating environment in the Dredge Fund. **Motion Passed.**

**8. BUDGET HEARING – FY 2021/22 BUDGET**

**A. Public Hearing**

President Kronsteiner opened the public hearing at 3:12 p.m.

The Port’s Budget Committee approved the proposed 2021/22 Fiscal Year Budget after its second budget committee meeting June 2, 2021. Each year, following the Budget Committee’s approval of the budget, the Commission is required to hold a public hearing. The objective of the public hearing is to receive testimony from any person present. The public hearing was scheduled for 3:00 p.m., June 22, 2021 prior to the regular Commission meeting.

During the regular Commission meeting, the Commission is **allowed to make changes to the budget if the total change in any fund does not exceed \$5,000 or 10%,** whichever is greater. Changes in excess of 10% would require the Commission to publish notice of a second budget hearing and a new financial summary and hold the second hearing before the adjusted budget can be adopted.

If no significant changes are made, the Commission should consider approval of the resolution adopting the budget.

President Kronsteiner asked for any public comment or testimony on the proposed resolution. There being none, President Kronsteiner closed the public hearing at 3:13 p.m.

Upon a motion by Commissioner Farm (second by Commissioner Garcia), the Board of Commissioners motioned to approve Resolution 2021Res02 adopting the budget, making appropriations, imposing and categorizing taxes – combined for Fiscal Year 2021/22. **Motion Passed.**

## 9. ACTION ITEMS/REPORTS

### A. **2021Res03: Charleston Marina Rate Schedule 2021/22**

As part of the annual budget process, the Marina Complex rates are reviewed each year and may be adjusted by the Consumer Price Index and/or by market analysis (each year staff surveys the rates and schedules of comparable facilities for comparisons). This year, Port Staff is requesting a 3% increase to all Charleston Marina Services, Charleston Marina Shipyard Services, Charleston Marina Storage Unit and Charleston Marina Dry Storage Fees, except for ice.

There will be no change to the daily Launch Ramp fee as this is set by the Oregon State Marine Board, but the annual pass will increase from \$65 to \$67. The Charleston Marina Shipyard Environmental Service Charge will increase from 9% to 11%. RV Park rates will not change at this time (the RV Park rates are adjusted in January). The Public Buying Dock Hoist deposit fee has been established which would cover parts and labor in the event the cord must be replaced due to damage or loss. The hourly rental rate of \$25 has also been set.

The rate for commercial grade ice will not change. However, a Charleston Ice Volume Incentive Rebate Program has been established based on both 2021/22 Budget Committee meetings. The details of this rebate program are included as Exhibit B to the resolution, included within the meeting packet. The proposed red lined 2021/22 Charleston Marina Rate Schedule is attached as Exhibit A to the resolution.

The Rate Schedule may be modified by Resolution of the Port Commission. Upon approval by the Board, the proposed 2021/22 Charleston Marina Rate Schedule will become effective July 1, 2021.

Upon a motion by Commissioner Garcia (second by Commissioner Stevens), the Board of Commissioners motioned to approve Resolution 2021Res03 revising the Charleston Marina Rate Schedule as presented, for Fiscal Year 2021/22. **Motion Passed.**

### B. **Disposal of Surplus Property**

Over time, the Port accumulates surplus personal property as older equipment and materials are replaced with newer materials, areas of operations are phased out, or when items are abandoned and/or obtained through the auction process. When sufficient quantities of such materials and equipment are accumulated, it becomes necessary to dispose of the surplus property. The surplus property includes property the Port has determined is not needed and unlikely to be needed for Port operations.

Section 6 of the Port's Local Public Contracting Rules requires the Chief Executive Officer to identify Port surplus property and recommend the means of its disposal to the Port Commission, as the designated Local Contract Review Board (LCRB). The policy sets forth specific criteria for the disposition of surplus personal property.

Much of the Port's surplus property has little to no value to the Port or its operations. It is inefficient to continue to bring individual action items to the Commission for the disposal of such property. Therefore, Port staff is requesting the Commission, as the LCRB, name the Chief Executive Officer as its designee for determining and authorizing the methods of disposal of surplus property with little to no value to the Port for Fiscal Year 2021/22 in strict accordance with written policy.

All surplus property will be evaluated against policy before disposition. If any items are determined to not meet the specific criteria set forth in policy, Staff will present an action item for the Commission's consideration upon that determination.

Upon a motion by Commissioner Farm (second by Commissioner Stevens), the Board of Commissioners motioned to name the Chief Executive Officer as the Local Contract Review Board's designee for determining and authorizing the methods of disposal of surplus property with little to no value to the Port for Fiscal Year 2021/22 in accordance with the Port's Local Public Contracting Rules. **Motion Passed.**

### **C. Authorization to Negotiate and Execute Building Purchase Agreement**

The Port of Coos Bay Administrative office currently leases 7,700 square feet of office, meeting, and storage space in the HUB building from the HUB Partnership for \$8,046 per month (\$96,554 per year). In an effort to minimize the loss associated with leasing office space, it is in the Port's best interest to own the building in which the Administrative Staff operates.

As outlined in the Port's budget for FY 2021/22, and as presented to and approved by the Port's Budget Committee, the Port has budgeted \$3 million in the Special Projects Fund to obtain a loan and purchase an Administrative Office building, and funds have been budgeted in the General Fund for debt service (repayment towards the loan and interest). Although increased expenses are budgeted for the maintenance and operation of the building, revenues are also budgeted to increase from leasing of office and storefront space.

After conducting research on the real estate market and costs of construction, discussions with landowners, and tours of listed real estate, Port Staff extended an offer and began negotiations with the HUB Partnership to purchase the HUB building.

An appraisal of the HUB Building had been conducted, which provided valuations on an Income Capitalization Approach and a Sales Comparison Approach. Price negotiations are based between these two values. Negotiations will continue based on multiple factors, including a Phase 1 Environmental study and an inspection of the building.

Upon a motion by Commissioner Stevens (second by Commissioner Farm), the Board of Commissioners motioned to authorize Chief Executive Officer John Burns to negotiate and execute an agreement with the Hub Partnership to purchase the Hub Building. **Motion Passed.**

### **D. Long Fisheries Lease Assignment**

Port staff were approached by Tyler Long, Dba Long Fisheries who leases dock space in the Charleston Marina Complex. Mr. Long is selling his business to Alaska Ice/Fathom Seafood and will continue working on site as the business manager. Alaska Ice/Fathom Seafood will continue to maintain the

business name of Long Fisheries. Mr. Long is a tenant that has remained in good standing with the Port. Alaska Ice/Fathom Seafood has additional facilities in Tacoma and Olympia, Washington.

The existing lease agreement for Long Fisheries has a term that extends through April 25, 2025.

Upon a motion by Commissioner Garcia (second by Commissioner Farm), the Board of Commissioners motioned to approve Oregon International Port of Coos Bay to enter into a lease agreement with Alaska Ice/Fathom Seafood Db a Long Fisheries. **Motion Passed.**

**10. OTHER**

**11. COMMISSION COMMENTS**

**12. NEXT MEETING DATE** – Tuesday, July 20, 2021, 3:00 p.m.

**13. ADJOURN**

President Kronsteiner adjourned the meeting at 3:23 p.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.