

Charleston Advisory Committee Meeting

Wednesday, May 3, 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: Mike Dunning, Chief Port Operations Officer
DATE: April 26, 2023
SUBJECT: Charleston Marina Advisory Committee Meeting Notice

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

DATE: Wednesday, May 3, 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/88156292807?pwd=V3ZjSWc3eGQ4SU9lOXJncERIL1NxUT09>

Via Phone: (253) 215 8782

Meeting ID: 881 5629 2807

Passcode: 290304

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.

MD/lf

**OREGON INTERNATIONAL PORT OF COOS BAY
CHARLESTON MARINA ADVISORY COMMITTEE MEETING
12:00 p.m., Wednesday, May 3, 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 15, 2023 Meeting Minutes
4. Financial Data Review
5. Discussion of Budget and Proposed Rates for FY 2023/24
6. Current Projects Update
7. Roundtable Discussion on Facilities Maintenance Needs/New Issues from the Customers' and Staff Perspectives
8. Public Comment
9. Committee Comments
10. Next Tentative Meeting Date: Wednesday, July 19, 2023, 12:00 p.m.
11. Adjourn

Review Meeting Minutes

**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**

DRAFT MINUTES

ATTENDANCE

Advisory Members:

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

Port Staff:

Mike Dunning, Chief Port Operations Officer; Megan Richardson, Director of Finance & Accounting; Steve Bawn, Charleston Marina Manager; Ray Dwire, Security; Kevin Riddle, Maintenance; Julie Williams, Marina Office Assistant, Krystal Karcher, Human Resources Generalist; and Laura Fortin, Administrative Assistant.

Guests:

John Payne, and Karie Silva were present. Ed Fleming, Susan Chambers, Steve, and an unknown citizen were in attendance by phone.

1. CALL MEETING TO ORDER

Chair Nick Nylander called the meeting to order at 12:05 p.m.

2. INTRODUCTION OF GUESTS

3. REVIEW AND APPROVAL OF MEETING MINUTES

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

Upon a motion by Knute Nemeth (second by Lou Leberti), the Charleston Advisory Committee Members voted to approve the February 23, 2022, Meeting Minutes. **Motion Passed Unanimously.**

B. Approval of May 4, 2022, Meeting Minutes.

Upon a motion by Lou Leberti (second by Mark Fleck), the Charleston Advisory Committee Members voted to approve the May 4, 2022, Meeting Minutes. **Motion Passed Unanimously.**

4. FINANCIAL DATA REVIEW

Director of Finance & Accounting, Megan Richardson, reviewed the financial data for Charleston Operations as provided in the packet. The financial data review covered the first two quarters of the fiscal year. Charleston had an operating income of \$1,288,652 compared to a budget of \$1,358,172. Ms. Richardson reported this is \$69,520 less than budgeted. Charleston's total operating expense was \$927,540 compared to a budget of \$1,199,595; \$272,055 underspent. Operating results were \$361,112

compared to a budgeted \$158,578; \$202,535 overspent. Other income, Ms. Richardson said, is from property taxes and some grant dollars. For other expenses, \$440,957 compared to a budget of \$431,970, this is \$8,987 overspent. Ms. Richardson explained other expenses included capital items like the piling project; the timing for this is allocated across 12 months so not overspent but just over for the first two quarters. The net other income is a loss of \$377,239 compared to a budgeted loss of \$364,470, this is \$12,769 less than planned.

Ms. Richardson reported Charleston's net results for the first two quarters was a loss of \$16,127 compared to a budgeted loss of \$205,893; \$189,766 better than planned. Chair Nylander said it sounded encouraging to him.

5. CURRENT MARINA PROJECTS UPDATE

A. Moorage Insurance Requirement Update

Steve Bawn, Charleston Marina Manager, presented project updates. Mr. Bawn said starting April of 2022, insurance compliance was implemented for all vessels and vessels in the Marina and stored in the Shipyard. The Port gave ample opportunity for customers to gain insurance or to move their vessels. Phase I process was started in the last quarter of year 2022, when all vessels in the Shipyard without insurance were notified. Mr. Bawn said currently there are approximately 57 vessels without insurance. He said 23 vessels in the Shipyard are receiving final notice prior to the Port disposing of the vessels. Mr. Dunning said there are an additional 18 vessels that the Port owns at this time to be disposed of. The Port is offering one more opportunity to vessel owners to get insurance or move their vessel. Ms. Hornstuen asked if boat owners had received a list of insurance companies that might be helpful. Mr. Dunning said the information has been provided. He said the Port continues to work with the boat owners as long as they are working towards getting their insurance.

B. Fishery Biproduct Project

Regarding the DEQ 900J permit which allows the discharge of fish waste from processing plants into the bay, Mr. Bawn said a preliminary feasibility phase is ongoing. The committee is working on permitting and with DEQ and other advisory committees. It is anticipated construction of a waste treatment plant could begin in 2024 at the earliest. Mr. Dunning said there is an extension in place now, however, unless this facility is built, the fish processing plants in Coos Bay will be shut down. He said the Port is working with the processors and the State to build the plant at a vacant lot near Hallmark Fisheries. Mr. Dunning said the State has offered \$50,000 towards the feasibility study to build the waste treatment plant. Mr. Nemeth asked if there would be a need to transport the waste over to the waste plant. Mr. Dunning said potentially yes. He said there is only one current facility like this operating on the coast at this time. Mr. Cox asked what is being done with fish carcasses currently. Mr. Dunning said the plants currently macerate the fish carcasses and then they are dumped back into the bay. Ms. Hornstuen asked if all Ports are doing the same thing. Mr. Dunning said they will all be required to, he said he thinks Newport has this technology. Mr. Dunning said Mr. Burns is leading this project, but this is going to be a requirement statewide. Mr. Dunning said the Port is looking to build the facility centrally so that all the plants are able to access it. This is going to take a lot of funding and planning. Ms. Hornstuen said she doesn't see how the State could not help as this is a multimillion-dollar industry for the whole coast. Nick Nylander asked what is the "drop dead day" for this DEQ requirement. Mr. Dunning answered, this requirement should be in place now, however extensions have been granted. Mr. Nylander said he is on the Board of the Charleston Sanitary District, and it is a concern to them as well. He said the objective is to keep Charleston a working fishing port. Mr. Cox asked if this is a larger project than the

Ice Plant. Mr. Dunning said this project may not cost as much as the Ice Plant, but it is going to have to be a partnership built with funds from the processors and the Port overseeing the facility and maintenance.

C. Ice Plant

Mr. Bawn said there had been some maintenance issues with the Ice Plant in December and the plant was down for a while. This maintenance issue alone cost \$10,000 to get it up and running. There are parts on order, however delivery is two years out. Supply chains are becoming more difficult, Mr. Bawn said to order pedestals for the docks, they are 50 weeks out. He said staff are working on an annual maintenance plan to be proactive with repairs. Mr. Leberti asked if the parts would be here by shrimp season. Mr. Bawn said the Ice Plant is up and running now. Mr. Dunning said the issue is with one of the four condenser fans. Mr. Dunning said the Ice Plant should be okay to run through the summer with just three fans.

D. Charleston Marina Dredging

Mr. Bawn said dredging operations started in October and finished in December. He said approximately 6,532 cubic yards of sand and rock were moved from Point Adams, along the L&S Seafood plant, the fuel dock and near the OIMB dock. Mr. Nemeth asked if the dredge unit is being farmed out to other ports. Mr. Bawn said yes, if the request comes through, though currently there have not been any requests for the next season. Mr. Nemeth asked if the Port of Coos Bay was paid for dredging other ports. Mr. Dunning said yes there are agreements between the State and the port being dredged; and between the Port of Coos Bay and the port being dredged. The money is initially paid to the State before dredging is done.

Mr. Cox asked if there are any plans to dredge around the Shipyard. Mr. Dunning said a full survey around the Shipyard was completed this last summer showing that dredging is not yet necessary. There are spots that could be done, but it is still maintaining what it was when Mr. Dunning was managing the Marina seven years ago. Mr. Dunning said the Barview upland dredge disposal site is 1.6 miles away so even with the booster pump that elevation is too much for the equipment the Port current has. Mr. Dunning added the Barview site needs about a quarter million dollars of work before anything can be put in it. Mr. Cox asked if the material could be trucked. Mr. Dunning said no, it has to be pumped out. Mr. Dunning said in 2014, the Port worked with Reid Middleton to upgrade the site to the standards needed and the cost was going to be about a quarter million dollars just to get the site ready for use; he said today it would probably be close to \$400,000 dollars.

E. Charleston Marina Maintenance Plan

Mr. Bawn said since November, staff have been creating a maintenance and budget plan for the next year, identifying priorities. Mr. Bawn said there are small, large, and capital projects in three priority levels. He said currently staff are working on F Dock repairing fingers. He said some of the work can now be done internally, which is saving on repair costs. Four fingers have been repaired in the last couple weeks, he said. Mr. Nemeth asked if the State has any economic development funds to help with these projects. Mr. Bawn said the State may possibly have funds, then explained the Marina's revenue sources. Mr. Dunning said the cost to install ten piling two years ago is the cost to install three piling this year.

Mr. Dunning said the Commissioners had met for a workshop that discussed Charleston projects and the dollar amount is enormous. He said every Port on the coast is facing the same problems as Charleston. Mr. Dunning said there is not enough money to fix the 1960 infrastructure. Mr. Cox said if the Port doesn't have the money to maintain the facility maybe selling to private ownership is an option. Mr. Cox said the Shipyard is a good example; he said the Shipyard is a loss for the Port every year. He said the

Port will never be able to come up with funding to fix the Shipyard without gaining outside funding, so the solution is to have the same person own the land and the buildings. Mr. Cox said he sees the demand is up, but the reason less boats are hauling out and less boats are at the docks is due to the facilities being down, not because the demand is down.

Mr. Nemeth asked if the offshore wind projects should be approved. He said if it happens, Charleston will be the repair facilities, and that infrastructure for the facility will be needed. Mr. Nemeth said the Port should look at making money from the wind turbine projects. Mr. Dunning said it will be factored in; however, it is 7-8 years out before the wind turbines are put in. Mr. Cox said one of these major projects is going to land some day and keeping facilities up to par is paramount.

Ms. Hornstuen asked if there were any thoughts on the sale of the Shipyard. Mr. Dunning said the Committee can discuss it, but it is in the hands of the Commissioners and Mr. Burns; he said he is not at liberty to discuss whether the Port is selling the Shipyard or not. Mr. Cox said stakeholders have been bringing it up, and he is not sure how to bring it to a vote. Ms. Hornstuen said maybe put it on the agenda for the Port Commissioners meeting. Mr. Cox asked how the topic could be put on the agenda for the next meeting. Mr. Dunning replied, the Committee could just put it on the next agenda.

Mr. Dunning said it's not that the Port does not want to do everything for the Charleston Marina and Shipyard, the money is just not there. Mr. Dunning said before any major capital projects are done, the Port is already \$626,000 in the hole with overhead. He said 10 million dollars' worth of capital projects have been done since 2015 in Charleston. He explained the Port has to triage projects; the dollars have to be stretched across the board. Mr. Cox said he thinks selling the Shipyard would help the Port cut their losses. Ms. Hornstuen said if the Committee meets and has further discussions, then Mr. Cox could possibly be a spokesperson at the Commissioners meeting. She said the Committee still needs to hear the Port's side. Mr. Dunning said the first thing is to get it on the agenda and then he could discuss it with Mr. Burns.

6. CURRENT PORT PROJECTS UPDATE

A. Dredging Section 107

Regarding Section 107, Mr. Dunning said the Port has approached the Corp of Engineers under their Continuing Authorities Program (CAP). He said USACE receives a certain amount of money to do projects for extensions of Federal Channels. Mr. Dunning explained the south beach channel in Newport is Federally Maintained, the Charleston facility is not. Mr. Fleck asked for the location of 107. Mr. Dunning explained it is from the North entrance of the Marina to just past the launch ramp. He said the Port has asked the Corp to take over the maintenance dredging of that area. Mr. Dunning said the Port paid the Corp contractor almost \$200,0000 in 2017 to dredge that area. He said it will cost the Port money up front, but it will be a huge long-term saving. When the dredging is taken over the Port would still pay 10% of the dredging cost.

B. North Jetty Repair Project

Mr. Dunning said a contract to repair the North Jetty has been awarded to Tri-West, a California Company. Mr. Dunning said the company is now working on site selection for housing some of their staff and it is expected they will start doing groundwork this summer. He said he doesn't think repairs will be seen until next spring. Mr. Nemeth asked what the length of loss on the Jetty was. Mr. Dunning said 900 feet since it was built; 125 feet will be built back above water and the toe will be roughly 150 feet. This project is costing 68 million dollars. Mr. Fleck asked if there are any long-term plans to go out

further than 125 feet. Mr. Dunning said no. Mr. Dunning said this will probably be a two-year construction project.

7. ROUNDTABLE DISCUSSION ON FACILITIES MAINTENANCE NEEDS / NEW ISSUES FROM THE CUSTOMERS' AND STAFF PERSPECTIVES

Mr. Nylander asked if there was any discussion on facilities maintenance needs or any new issues from customers and staff perspective. Looking back through the last meeting notes, Ms. Hornstuen asked about the maintenance shop roof and if the gangway had been replaced. Mr. Dunning said both projects have been completed. Mr. Cox asked about bathroom doors. Mr. Dunning said the Port has been trying to get quotes; three vendors have looked at it.

Mr. Dunning said the Port is about to spend another \$24,000 on the stormwater system. Mr. Bawn explained there had been a failure of the piping system, so it must be cleaned out of all the media, fixed, and new media replaced. Mr. Cox asked if there is any warranty on the system. Mr. Dunning said no, not after five years. Mr. Nemeth said the system is really important because it protects the south slough waters. Mr. Dunning said the stormwater system also keeps Giddings and Tarheel open. Mr. Bawn said \$40,000 has been spent on the system in the past six months. Mr. Dunning said DEQ has determined the water in this bay is cleaner than it has been in 80 years.

Ms. Hornstuen said in public comments from the previous meeting minutes, there was a question regarding after hours stay in the Shipyard. Mr. Bawn said yes, they have been reinstated, the stay can be up to two weeks in a year. The person must check in with the Marina Office staff first and must be working on the boat.

Ms. Hornstuen said she called and talked to a County Commissioner, who said that Troller Road is not county anymore and they are not going to do anything about it. Mr. Cox said he had gone back and forth talking with County Commissioners trying to get the road back on the County rolls. Ms. Hornstuen said she was told by the Commissioner there were no houses down that road, and it was all private businesses. Mr. Cox said the homeowners won't speak up about the road conditions. Mr. Dunning said the Port, with the help of one of the homeowners, put a patch on at one time which only lasted one summer. The homeowner had a quote from Knife River to fix the road correctly and it was going to be about \$80,000 dollars. Ms. Hornstuen said it should be put on the agenda for discussion and then take it to the County Commissioners meeting.

8. PUBLIC COMMENT

9. COMMITTEE COMMENTS

10. NEXT MEETING DATE

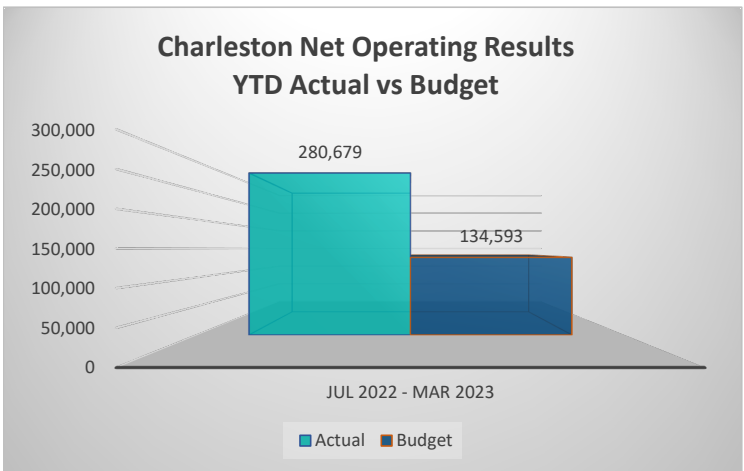
The next meeting is scheduled for Wednesday, May 3, 2023, at 12:00 p.m.

11. ADJOURN

Chair Nick Nylander adjourned the meeting at 1:15 p.m.

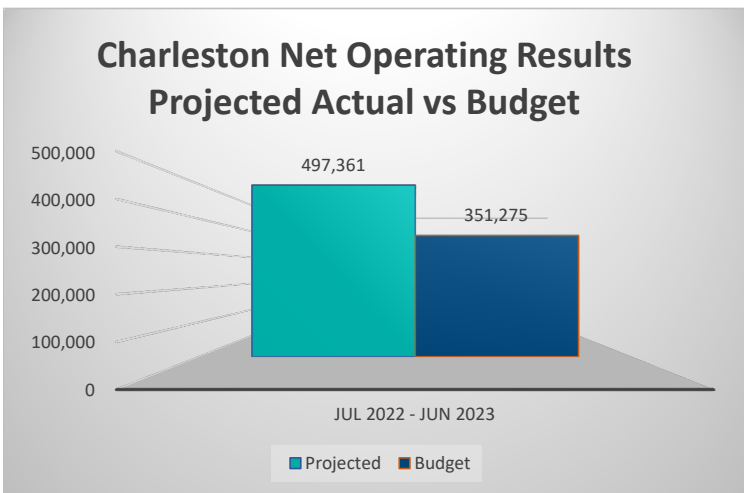
Financial Data Review

	Year to Date							Year End		
	Jul 2022 - Mar 2023				Prior FYTD vs Current FYTD			Jul 2022 - Jun 2023		
	Actual	Budget	\$ Diff	% Diff	Last FY	\$ Diff	% Diff	Projected	Budget	% Diff
Charleston Operating Income	1,791,347	1,887,843	(96,496)	(5%)	1,741,440	49,907	3%	2,496,656	2,593,152	(4%)
Charleston Personnel Expenses	500,789	643,953	(143,163)	(22%)	590,952	(90,162)	(15%)	693,899	837,063	(17%)
Charleston Operating Expenses	1,009,879	1,109,297	(99,418)	(9%)	724,479	285,400	39%	1,305,396	1,404,814	(7%)
Charleston Total Expenses	1,510,668	1,753,250	(242,581)	(14%)	1,315,431	195,237	15%	1,999,295	2,241,877	(11%)
Charleston Operating Results	280,679	134,593	146,086	109%	426,009	145,330	(34%)	497,361	351,275	(42%)
Other Income	129,905	80,000	49,905	62%	59,411	70,494	119%	129,905	80,000	62%
Other Expense	464,962	456,379	8,583	2%	603,127	(138,165)	(23%)	489,371	480,788	2%
Net Other Income	(335,057)	(376,379)	41,322	11%	(111,331)	223,726	201%	(359,466)	(400,788)	(10%)
Charleston Net Results	(54,378)	(241,786)	187,408	78%	(117,707)	(63,329)	(54%)	137,895	(49,513)	(379%)



Charleston Marina is showing an operating result of a \$54K Loss compared to a budgeted loss of \$242K, which is \$187K better than plan. This is due, in part, to the following factors:

- Revenues are within 5% of what was budgeted for year to date. All business lines are performing less than plan.
- Year to date expenses are underspent by about 14%. Charleston maintenance crew is not at full capacity. Operating expenses are underspent due to lower than projected revenues to date.
- Other Revenue and Expenses within 11% of budget. Greater revenues and expenses are due to the unanticipated insurance claims.



Based on current information, if Charleston would perform to budget for the remaining quarter the projected operating result would end the year \$138K better than budget.