

**OREGON INTERNATIONAL PORT OF COOS BAY
CHARLESTON MARINA ADVISORY COMMITTEE MEETING**

12:00 p.m., Tuesday, April 30, 2019
Charleston Marina RV Park, Recreation Room

ATTENDANCE

Advisory Members:

Lou Leberti; Kyle Cox; and Margery Whitmer.

Port Staff:

John Burns, Chief Executive Officer; Lanelle Comstock, Chief Administrative Officer; Megan Richardson, Director of Finance; Chris Cranford, Maintenance Foreman; Cheryl Charitar, Charleston Office Administrator; Mike Stonesifer, Maintenance Manager; and Krystal Moffett, Administrative Assistant.

Guests:

Brandon Collura; Ed Fleming; Steve Wilson; Paul Merz; John Payne; and Kathleen Hornstuen.

1. CALL MEETING TO ORDER

Lou Leberti called the meeting to order at 12:05 p.m.

2. INTRODUCTION OF GUESTS AND PORT STAFF

3. REVIEW AND APPROVAL OF MEETING MINUTES

A. Approval of April 18, 2018 and July 19, 2018 Meeting Minutes.

A quorum was not present to vote.

John Burns stated Port staff had reached out to members of the Charleston Advisory Committee who were non-responsive to meeting planning requests and others who have left the area. Mr. Burns asked if Committee members had any suggestions of possible new Committee members to please share them. Margery Whitmer recommended the new owners of Betty Kay Charters. Lou Leberti stated that Committee member Nick Nylander is retired but still in the area, perhaps only reachable by cell phone and not email. Mr. Leberti asked if any of the commercial fishing fleet might be interested. Paul Merz stated that he was on the committee when it was first formed, then there was a process to formally elect people and he was not able to make that meeting. Mr. Merz stated that he is currently on four other boards and consulting to the Oregon Salmon Commission and does not have the time to commit. Mr. Leberti asked for an update on the salmon fishing season. Mr. Merz shared there will be a season as far as time on the water, but the predictions are not good. It's too early for reports yet on the albacore season.

4. FINANCIAL DATA REVIEW

Director of Finance and Accounting, Megan Richardson, reviewed the financial data for Charleston Operations. The last page of the packet showed actual data for the start of the year through March. The operating income was \$1.5 million, slightly short but on track. Personnel expenses were planned at \$1.06 million against an actual of \$830K. That is short due to empty positions in Charleston, including the Harbormaster, a Project Manager, and a security position. For other expenses in the Marina, actual was \$632K against a plan of \$757K. Some repairs and maintenance are not being done right now to focus on capital projects, with the ice dock and the piling replacements. For the total Charleston operating result, there is a surplus of \$74K against a planned deficit of \$273K, resulting in a net deficit of \$151K against a planned deficit of \$532K. One item that has not been posted yet is the billing for dredging services this year. That will result in \$240K better than plan, as opposed to \$380K better than plan.

Ed Fleming asked what accounts for the difference in the Operating Results and Net Results. Ms. Richardson stated that capital projects are included in the net results but not operating. Mr. Fleming asked what is included in those projects. Ms. Richardson stated it includes the piling replacement, the work on the ice dock fenders, and dredging. Ms. Richardson stated the operating expenses includes all regular repairs and maintenance and day to day operation costs.

5. PROPOSED CHARLESTON MARINA 2019/20 RATE SCHEDULE

Mr. Burns moved the meeting along to discussion of the proposed rate schedule. As every year, Port staff surveyed similar marinas to compare rates. Looking at where Charleston is compared to these other facilities, the Port does not want to be the most expensive marina on the coast, but also needs to generate enough income to ensure viability and cover operating expenses and capital improvement. Mr. Burns stated that Port staff recommends increasing the annual moorage rates with just a CPI increase of 1.5%. Ms. Richardson stated the CPI index is done nationally, and that number is also used for personnel increases. Steve Wilson asked which index was used and whether that index accounted for rural or more urban/metro communities. Mr. Fleming stated the west coast regional number is not representative of the Coos Bay economy, as this has been a depressed area for many years. Mr. Burns stated that a specific CPI for Coos Bay is not available and is generally tied in with the state. Mr. Burns stated the Port is trying to keep up with inflation and suggests raising the rates based on CPI due to the increased cost of goods and services. If the CPI being used is not an accurate reflection of the area and it makes sense to adjust otherwise, that will be looked at.

The monthly and daily rates are significantly lower than other ports; recommendations were made to make significant increases but that was deemed too much of a hit for customers. The rates for monthlies and dailies will be increased by 10%, which will place the Marina in the area of what it needs to sustain the viability of the Marina. Mr. Burns stated that semi-annuals will be increased same as the annuals, only a CPI of 1.5%.

Mr. Leberti asked if water and electric are all-inclusive in the rates. Mr. Burns confirmed. Mr. Leberti asked if the Port will be getting new meter heads. Mike Stonesifer stated new pedestals are coming in, about 10-20 per year depending on the budget and those most in need are being replaced first. The new pedestals being purchased are non-metered and built out of stainless steel rather than PVC plastic, so they have been holding up much better.

Mr. Merz stated this process of rate increases was initiated two years ago, and he has been paying annual moorage in Charleston at \$2,970 per year. In Newport it would be \$2,300 and Astoria would be \$2,000;

nearly \$1,000 difference annual. Mr. Merz stated those are the only two other ports on the coast that have significantly similar facilities. Mr. Burns stated that Newport and Astoria were surveyed for the rate comparison. Mr. Merz stated Astoria has a separate rate for electricity and it is not required to purchase; here he is paying for electricity he doesn't use. Mr. Merz stated rates had been increased previously to cover the cost of deferred maintenance, but he doesn't see that maintenance being done. Mr. Merz shared his disappointment in the proposal to raise rates; he stated he compared rates online yesterday and believes Charleston to be too high. Mr. Merz stated he had hoped the rates would be decreased to be more in-line with other ports on the coast. Mr. Burns stated that comparison is done based on the entirety of usage in the facility and the Port understands that some people end up paying for more than what they use. Kathleen Hornstuen asked if it was possible to have an area where electric and water were not included and the rate was lower, similar to what campgrounds do. Mr. Merz stated the docks would have to be configured differently. Mr. Merz spoke of the price difference in selling fish in Newport; Coos Bay is not as close to the metro areas and more isolated, so it is harder to get the same prices. Mr. Burns stated that being isolated as such, the cost of materials and services are higher. Many of the maintenance and repairs needed in the facility cost more, due to geographic isolation. An example being the recent ice plant repairs; the contractor came from Portland.

Mr. Merz spoke of being a small business owner and doing much of his own maintenance work; there are some in the community that could do the work but are not able to because of the business licensing requirement. Mr. Burns stated that requirement was placed on hold, until there was a much larger discussion due to multiple concerns.

Mr. Leberti asked if there was any more discussion on the rate increase; there was none. Mr. Leberti confirmed this information will be presented at the upcoming Port budget committee meeting.

6. NEW ISSUES/PROJECTS

Mr. Stonesifer stated Port staff recently had work done on ice maker #2 to repair the expansion valve. It was converted to a magnetic float switch, which is more dependable. The work required extra welding and a pipefitter to come from Portland. Mr. Stonesifer stated a brand new unit of deck boards was received, and Port staff will begin replacing decking on the ice pier. There are also some dock rods on the way for finger repair. Maintenance staff will be moving into a new shop; work is ongoing around more important issues. Mr. Stonesifer stated the move should free up the current space to be rented out.

Work was just completed on the new floating dock in front of the ice plant. The fenders were specially built and will be a big improvement when tying up in the dark or inclement weather. Mr. Leberti stated the shrimp season is on hold right now.

Mr. Stonesifer stated that new boarding floats will be installed for the launch ramp in early summer. The old floats will be removed and replaced one at a time. Mr. Leberti asked if those could be held and installed in the winter. Mr. Burns stated this project is being funded by the Oregon State Marine Board and ODFW and needs to be completed by the end of the fiscal year. This is close to a \$400,000 project and the Port is fortunate that the state is covering most of that cost. Mr. Stonesifer stated that staff will aim to work around events to minimize disruption and will only close one lane at a time. Mr. Fleming asked about restrictions on the use of the new floats, as stated at the last Commission meeting. There is no commercial usage allowed, so those that load and unload equipment will likely have to utilize the shipyard. Mr. Fleming asked if this would affect independent charter boats launching. Mr. Stonesifer stated that is unknown. Mr. Leberti asked if there is local representation on the Marine Board and shared

that he would be willing to speak to the Board regarding the loading and unloading of nets from the launch ramp docks. Mr. Stonesifer stated the new boarding floats are made of aluminum hulls with concrete ballast; they are zinced and will be pulled out once a year to be cleaned and inspected.

7. ROUNDTABLE DISCUSSION ON FACILITIES MAINTENANCE NEEDS

Ms. Hornstuen asked whether it would be possible to put tires around the pilings where fishermen are having trouble making turns, so as not to damage the dock or boats. Mr. Stonesifer stated the only problem would be if the tires sink in the bay. Mr. Burns stated that staff will look into it.

Mr. Fleming asked for an update regarding the dredging. Mr. Burns stated that as of right now the next port to utilize the dredge will be the Port of Siuslaw; they have about 11,000 CY to be moved. If that is the only port to utilize the dredge, then afterwards work can continue in the Charleston Marina. Mr. Stonesifer stated the problem with dredging in Charleston is the distance the material needs to be pumped. Without a booster pump, the dredge is not capable of reaching the distance needed, especially in the Outer Basin. Mr. Burns stated that staff has recommended to the State to buy a booster pump; Charleston is not the only marina in need. Mr. Fleming asked if it was time to consider clamshell dredging. Mr. Burns stated the cost of clamshell dredging is high, but it is always considered. Mr. Burns stated that it would likely be difficult this summer, the Corps will be dredging in the Upper Bay this year, then the GMA Garnet and GP facilities will be looking at utilizing that contractor to do their docks. If that's the case, there likely will not be time left in the season for Charleston.

Mr. Fleming stated there are pilings on E dock that are not attached to the docks. The rings have broken. Mr. Fleming stated his concern with a fairly large fishing vessel at the end of that dock. Cheryl Charitar stated Port staff are looking to move them, possibly to the DWF dock. Mr. Stonesifer stated the pilings need to be fixed, and the vessel will need to be moved. Ms. Charitar stated there are not many slips that can accommodate the larger vessels.

Mr. Fleming stated there is an electrical pedestal missing a lid on the dock just past the Fisherman's Wharf. Mr. Stonesifer stated staff would look into it. Ms. Hornstuen stated there have been complaints about missing bolts on the tie-downs at D dock. Mr. Stonesifer stated that any missing bolts will be replaced as soon as possible.

8. PUBLIC COMMENT

Ms. Hornstuen thanked the Port and the Marina for help with the recent Oyster Feed and also the upcoming Blessing of the Fleet on Memorial Day. Mr. Fleming thanked the Port for installing the more aggressive non-skid pattern on the D and E ramp. Mr. Fleming asked when the Marina would be getting Wi-fi for customers. Mr. Burns stated the Port is looking into funding, so the timeline is unknown.

Mr. Fleming asked about the restructuring of the railroad and how that might affect the Marina. Mr. Burns stated that the railroad operating company was set up as a non-profit because the Port is also non-profit; it was the legal way to separate the entities. The railroad operating company falls under the jurisdiction of the Port while keeping the employees separate; this is due to railroad employees falling under the Railroad Retirement Board and the Federal Employee Liability Act. There is no money being taken from Charleston and diverted to the Railroad.

Mr. Fleming asked about the cost of fixing the swing span bridge effecting projects planned for Charleston. Mr. Burns stated those repairs were all paid for with grant money that was specifically earmarked for the railroad. Mr. Burns stated that prior to November of 2018, the Port owned the infrastructure of the railroad including the rail, ties, bridges, and tunnels. It had been subcontracted to a third party to operate the trains; that is the only change.

Ms. Hornstuen asked whether the grant to replace the wooden benches was successful. Mr. Burns stated the Port has not heard but is optimistic.

Mr. Wilson asked that the Port do more research into the CPI index being used, to ensure that a metro or urban CPI is not being used. Mr. Burns stated that staff will do that. Mr. Leberti suggested something more specific might be available from the unemployment office.

9. COMMITTEE COMMENT

Ms. Whitmer shared that the Betty Kay charter boat is under new ownership out of Ft. Bragg. The Betty Kay charter business is under new ownership of Kurt and Gayleen Smith, running the Shamrock and the Sea Blaze. Mr. Leberti shared appreciation for the long-running charter boat operation within the Port.

Mr. Leberti commented that members need to be more involved with the committee. Mr. Burns stated Port staff will work on that.

Mr. Leberti shared concern that the railroad not detract from the asset that is the Charleston Marina. Mr. Fleming also shared concern that the railroad could become a liability. Mr. Leberti stated the railroad is important to the local economy, as evidenced by the recent GP mill closure. Mr. Burns spoke of the increased cost associated with the swing span bridge closure but stated that was not the only factor in the closure as there are other GP mills being closed in other states.

10. NEXT MEETING DATE

The next Charleston Marina Advisory Committee Meeting is scheduled for Wednesday, July 17, 2019 at 12:00 p.m.

11. ADJOURN

Lou Leberti adjourned the meeting at 1:06 p.m.