

**OREGON INTERNATIONAL PORT OF COOS BAY
CHARLESTON MARINA ADVISORY COMMITTEE MEETING
12:00 p.m., Wednesday, May 8, 2024
Charleston Marina RV Park, Recreation Room**

MINUTES

ATTENDANCE

Advisory Members:

Nick Nylander, Chair; Kathleen Hornstuen; and Knute Nemeth. Lou Leberti; Kyle Cox; and Tyler Long were absent.

Port Staff:

Ray Dwire, Charleston Marina Manager; Lanelle Comstock, Chief Administrative Officer; Megan Richardson, Director of Finance & Accounting; Cheryl Charitar, Charleston Office Administrator; Julie Williams, Charleston Office Assistant; and Krystal Karcher, Human Resources Generalist.

Guests:

Ed Fleming, SV Merganser; Bryan Juveland; Susan and Doug Dodge, RV Park guests; Anne Donnelly; and David Young.

1. CALL MEETING TO ORDER

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

2. INTRODUCTION OF GUESTS

Nick Nylander began introductions by asking for a moment of silence in honor of Lou Leberti's wife who passed away. Kathy Hornstuen suggested sending a card of condolence to the Leberti family.

3. REVIEW AND APPROVAL OF MEETING MINUTES

A. Approval of January 17, 2024 Meeting Minutes

In the absence of a quorum, minutes were reviewed and will be voted on at the next meeting.

4. CURRENT PROJECTS UPDATE

Ray Dwire provided an update on current marina projects. Sharky's Charters is now located on D Dock. Staff continues their work on the marina docks, currently focused on F Dock, as well as rehabilitation work in Building 30 to prepare for a new tenant. The RV Park is gearing up and preparing for summer guests. Staff have been busy in the Shipyard cleaning up and reorganizing the long term area. Staff plan to destroy more of the derelict boats currently in the Shipyard, which will then create more short term workspace so more people can work on their boats.

Mr. Dwire shared that staff received authorization at February's Port Commission meeting to apply for a ConnectOregon grant for Shipyard improvements. The project will be \$5 million to improve the work docks and the travel lift slip. Anne Donnelly asked if there were adjustments made to the scope of the application after the Commission meeting. Mr. Dwire stated the application was exactly as the Commission approved. The Port anticipates grant awards to be announced in September. Ed Fleming asked the timeline that the travel lift would be out of service if the Port were to be awarded the grant. Mr. Dwire stated the in-water-work window is limited and staff would prioritize minimizing the downtime of the travel lift.

Ms. Hornstuen asked about the key card access to G & H docks. Mr. Dwire stated this has been resolved. There are key cards available at the office for guests on that dock and there is also passcode access for those who are staying short term. Ms. Hornstuen asked for an update on dredging for the shoaling issue. Mr. Dwire stated the Port is still in discussions with the Army Corps regarding the Section 107 study. There will be a clamshell dredge here this summer that the Port will utilize at a cost of about \$200,000. The Coast Guard put a caution buoy in this area. Ms. Hornstuen asked about the Lazio dock and the L&S dock. It was discussed at the last meeting to see if there was something the Port could do for commercial offloading space. Mr. Dwire stated staff are still looking into options.

Knute Nemeth asked about discussion of Troller Road. Mr. Dwire stated donated oyster shells have been spread as a temporary fix. Mr. Nemeth stated the Troller Road issues have been discussed for years but the road is vital to the Shipyard. Mr. Nemeth stated a property owner received an estimate from Knife River, which came in at \$180,000. Troller Road is also a public area for viewing the South Slough. Road improvement could include parking spots next to the boat launch with a restroom. Mr. Nemeth stated he talked with County Commissioner John Sweet about the situation. The County acknowledges ownership of the road. Ms. Hornstuen suggested a grant could help with funding. Mr. Nemeth stated ConnectOregon grants are used for transportation and economic development. Fixing this road needs to be addressed to keep the Shipyard open, and keep the area both attractive and safe. A cooperative between the property owners, the County and the Port needs to be established to move this project forward. Mr. Nemeth asked that Port Commissioners get together with County Staff and property owners to discuss what can be done. Mr. Fleming added that emergency vehicle access to the Shipyard should also be considered. This is an industrial area where people are working and the current conditions of the road would slow access for emergency services.

Ms. Donnelly stated this issue speaks to her larger concern of the Port's operation of the Marina and Shipyard. The Port as an entity of economic development should manage all assets for optimal economic benefit consistent with Port solvency. This includes the composition of the Charleston Advisory Committee and the topics discussed. Ms. Donnelly stated the advocacy reach of this group is limited because people are only advising on maintenance needs. The issue that Mr. Nemeth brings up with Troller Road is not just access for the fishermen, it's access for the community and the economic potential of the Shipyard. Ms. Donnelly urged the Port to manage their properties consistent with the economic development mission, and suggested the Port look at grant opportunities that are not just maritime related. Ms. Donnelly stated the Committee membership should be expanded to include more people with different perspectives.

Mr. Dwire stated the issue of Troller Road is more than just a Port issue. Ms. Donnelly stated the larger issue she is speaking of is very much a Port issue. Mr. Dwire stated the Port is aggressively trying to develop properties for the benefit of the community and for economic development.

5. FINANCIAL DATA REVIEW

Megan Richardson reviewed the financial data for Charleston Operations. Information included in the meeting packet are the year-to-date financials for July through March. Operating income was about \$1.6 million compared to the budget of about \$1.8 million, which is about a \$224K shortfall. Total expenses were about \$1.5 million compared to the budget of about \$1.8 million, so expenses were underspent by about \$307K. The operating result was positive by about \$80K compared to the projected loss of about \$4K, leading to results better than plan by about \$83K. Charleston total net results for the year-to-date is a loss of \$558K, compared to a budgeted loss of \$678K, leading to results better than plan by \$120K.

Based on the current information if Charleston were to perform to budget for the remainder of the fiscal year, it would end with an \$83K better net result than budget, which is still an overall loss of \$520K. Even with expenses underspent, revenues are less than budget by \$224K so far this year.

6. DISCUSSION OF PROPOSED BUDGET FOR FY 2024/25

Mr. Dwire presented information about Charleston's operational expenses. Employees in Charleston include four office staff (one of these positions is vacant and will not be filled), eight maintenance staff, and five security staff. Total personnel expenses are \$1,317,017 for 16 employees. Mr. Dwire stated electricity costs are about \$291K, water is \$52K, sewer is over \$4K per month, garbage service is just over \$100K which is down from previous years, and commercial insurance is \$137K. This is just liability insurance for Charleston properties and has gone up about 20%. Utility and insurance expenses total \$629,205. Annual debt repayment totals \$430,787 for the Ice Plant, stormwater system, travel lift, and Port vehicles.

Expenses for employees, utilities and insurance, and debt repayment total \$2,377,044. Total operating income for FY 2022/23 was \$2,353,336 which is less than total operating costs, with no repairs and maintenance or any projects completed. Mr. Dwire stated the expenses do not include Administrative staff in the downtown office and no money from Charleston is being taken by the Railroad.

Mr. Dwire offered further financial details regarding the Ice Plant. In FY 2022/23 debt repayment was \$220K and electricity was over \$53K. The electricity rate on the Ice Plant is high, whether or not the facility is being used, because it is a high-demand system. Maintenance and repair expenses were close to \$53K, Port staff time was \$18K, and water was \$9K, for total Ice Plant expenses of \$353,219. Total ice sales in FY 2022/23 was \$206,391. The overall loss for the Ice Plant was nearly \$150K.

Shipyard expenses in FY 2022/23 includes derelict boat disposal at \$101K and debt repayment for the travel lift and stormwater system at \$82K. Other expenses include staff time, media replacement, electricity, water, sewer and trash. Total expenses for the Shipyard were \$370,917 with revenues totaling \$360,376 for an overall loss of \$10,540.

Ms. Hornstuen asked about the derelict boat disposal cost. Mr. Dwire stated this cost will always be there, but the goal is to get the number of vessels down so the cost is manageable. Mr. Fleming asked if the state had a fund to assist with destroying derelict boats. Mr. Dwire stated they do have a new program that was recently funded, but are not sure how the money will be dispersed. A marina customer asked if any of the debt service for vehicles or the travel lift is close to being paid off. Mr. Dwire stated there

are two vehicles that will be paid off this year. Ms. Richardson stated the larger debt service loans are approximately twenty years.

Mr. Dwire stated the utility costs are rising for everyone including Charleston. Electricity rates for the docks in June 2022 was about \$0.0816 per kilowatt-hour. In June 2023, the rate increased by 17.8% to \$0.0961. In April 2024, the cost went up to \$0.1158 which is a 20.5% increase. There is another rate increase anticipated in January 2025, about 17-18%.

Proposed projects for FY 2024/25 total \$688,000. These projects include clamshell dredging, the Section 107 study, piling replacement, dock repairs, building repairs, derelict boat disposal, D-dock approach, rock for Shipyard, and rock and rip/rap for Marina. Mr. Dwire stated staff will continue their efforts to save expenses by being smart with resources and completing work in house. An example of this is the D-dock approach. A contractor had supplied a bid of \$50K but Port staff will make the repair for \$20K. The income brought in by Charleston does not cover the proposed projects; this money will need to come from elsewhere in the Port budget. That could be from the Railroad, or the tax revenues received.

Mr. Dwire stated that staff are preparing to bring recommendations to the Port Commission for rate increases to be effective July 1, 2024. Mr. Fleming asked about the launch ramp fee. Mr. Dwire stated the daily fee is set by the State Marine Board and Port staff cannot change it. Mr. Fleming stated there are a number of vacant moorage slips and the RV Park is being under-utilized. Mr. Dwire stated the Port is looking at multiple options to increase revenues. Mr. Dwire stated efforts will continue to eliminate any waste of resources and keep expenses down, while building up the infrastructure of the Charleston community.

7. ROUNDTABLE DISCUSSION ON FACILITIES MAINTENANCE NEEDS

Maintenance needs have been discussed and there are no additional concerns to add.

8. PUBLIC COMMENT

Mr. Fleming asked about the proposed rate increase that will go to the budget committee. Mr. Dwire stated the numbers are still being determined but could be similar to the 10% increase of last year. Mr. Fleming stated the Committee is typically given notice at this meeting of what increases are planned. Mr. Dwire stated some of the Shipyard services will not see the 10% increase. That information will be available as soon as it is finalized.

Mr. Dwire stated there was public comment received from John Blanchard, as follows: "I'd like to add public comment on a maintenance idea for the marina facility. I noticed this growth of marine life on the power and waterlines leading to D dock and investigated it some. Please see attached photos. The support brackets for the lines are nearly failing under the weight of the growth and have deteriorated in the marine environment. This is directly under the gang plank leading to the dock and I am concerned if it breaks the lines could be damaged and cost more to repair or prevent electrical service to D-Dock."

Mr. Dwire shared the photos Mr. Blanchard had sent and stated this issue has been addressed. This area was underneath the dock approach and not readily visible. Mr. Dwire stated staff are thankful this was brought to their attention and are now aware of additional areas to inspect.

9. COMMITTEE COMMENT

Ms. Hornstuen shared that the Charleston Fishermen's Memorial Committee has met to determine the names that will be added to the memorial plaque on Monday, May 27 at 10:00 am. The Charleston Fishing Families will host cake and coffee after the service and everyone is invited to attend.

This year, the Industry plaque will honor: Roy C. Cameron, Michael L. Workman, Amos Allen "Red" Astor, James "Jim" Nash, W.A. "Rusty" Shield, and Scott Heath. The Fishermen's Memorial Plaque will honor: J. B. John Elliott Burgess, Gary "Bear" Gene Warren, John Frank Hatten, Richard "Dick" Lilienthal, Gladys Johnston, Doris L. Hockema, Spud Murphy, Alice I. Gunnari, Captain James L. Moore, Holly Hall Stamper, and Don G. Burks.

Mr. Nemeth stated the Mayfly Festival is coming up on May 18 at Mingus Park and will have family friendly activities for people to learn about the watershed. In October, there will be the Octoberfish Festival held at the Marine Biology School. This is a fundraiser for the Charleston Food Bank.

10. NEXT MEETING DATE

The next meeting is scheduled for Wednesday, July 17, 2024 at 12:00 p.m.

11. ADJOURN

Chair Nick Nylander adjourned the meeting at 1:26 p.m.