

# Charleston Advisory Committee Meeting

Wednesday, October 18, 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: October 18, 2023

SUBJECT: Charleston Marina Advisory Committee Meeting Notice

---

---

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

**DATE: Wednesday, October 18, 2023**  
**TIME: 12:00 p.m. – 1:30 p.m.**  
**LOCATION: Charleston Marina RV Park  
Recreation Room  
63402 Kingfisher Road  
Charleston, OR 97420**

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, October 18, 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. Introductions of Guests and Port Staff
3. Review and Approval of May 3, 2023 Meeting Minutes
4. Financial Data Review
5. Current Projects Update
6. Roundtable Discussion on Facilities Maintenance Needs/New Issues from the Customers' and Staff Perspectives
7. Public Comment
8. Committee Comments
9. Next Meeting Date: To be determined.
10. Adjourn

# Review Meeting Minutes

**DRAFT**  
**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

**MINUTES**

**ATTENDANCE**

**Advisory Members:**

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

**Port Staff:**

Lanelle Comstock, Chief Administrative Officer; Mike Dunning, Chief Port Operations Officer; Megan Richardson, Director of Finance; Steve Bawn, Charleston Marina Manager; Julie Williams, Marina Office Assistant; Tammy Greer, RV Park Coordinator; and Laura Fortin, Administrative Assistant.

**Guests:**

Anne Donnelly and Doug Dodge were present. Ed Fleming joined via phone.

**1. CALL MEETING TO ORDER**

Chair Nick Nylander called the meeting to order at 12:10 p.m.

**2. INTRODUCTION OF GUESTS**

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

**A. Approval of February 15, 2023 Meeting Minutes**

Upon a motion by Knute Nemeth (second by Lou Leberti), the Charleston Advisory Committee Members voted to approve the February 15, 2023 Meeting Minutes. **Motion Passed Unanimously.**

**4. FINANCIAL DATA REVIEW**

Megan Richardson, Director of Finance and Accounting, reviewed the financial data for Charleston Operations as provided in the packet. The financial data review covered the first three quarters of the fiscal year. Charleston had an operating income of \$1,791,347 compared to a budget of \$1,887,843. Ms. Richardson reported this being \$96,496 under projection. Charleston's total operating expense was \$1,510,668 compared to a budget of \$1,753,250; \$242,581 underspent. Operating results were \$280,679 compared to a budgeted \$134,593; \$146,086 better than planned. Ms. Richardson pointed out that there was about \$100,000 billed for vessel destruction, and most of those dollars will be written off, so that is showing a false profit. For other income, \$129,905 compared to a budget of \$80,000, this is \$49,905 over budget, and this was from a grant and insurance claim reimbursement. Other expenses were \$464,962

compared to budget of \$456,379; \$8,583 underspent and that was for an insurance claim and capital, most of it being in the insurance claim.

Ms. Richardson reported Charleston net results for the first three quarters was a loss of \$54,378, compared to a budgeted loss of \$241,786; \$187,408 better than planned. Ms. Richardson added that this report is only for Charleston's income statement and does not include Office Staff or Security salaries or anything spent on Charleston that is charged to Admin or Port Ops.

Mr. Leberti asked about insurance claims, and why they are put under other expenses. Ms. Richardson explained that all expenses and all revenue have to be shown not just the net difference. Ms. Comstock said insurance claims this last year, someone drove through the post office, a parking lot fire, the gangway that fell in the Shipyard, and the Sea Basket roof leaking. Mr. Nylander said he thinks the report is encouraging and that the loss is not as much as was anticipated.

Mr. Dunning said Security Staff works in Charleston, but their salaries are charged to the Port Operations budget. He said the Security Staff cost for Charleston is about \$600,000 fully burdened. Ms. Comstock added credit card processing fees are \$40,000 and budgeted in the Administration department as well.

## **5. DISCUSSION OF BUDGET AND PROPOSED RATES FOR FY 2023/24**

Mr. Bawn gave a follow up to the insurance ordinance which went into effect May 19, 2022. The initial due date was July 19 and was extended a couple of times. In December the first phase began with notifications of non-compliance. There were 23 vessels in the Shipyard at that time and a total of 65 vessels without insurance. Currently there are 25 vessels that have not provided insurance who have not been contacted, they will be notified as part of phase II. Available space in the Shipyard is a determining factor in this process.

Mr. Bawn said the current focus of the 2023/24 budget are the priority one projects as listed in the maintenance plan. He said these priorities equate to about \$3.2 million. One project example is the Shipyard bathrooms; the two doors were \$9,570.

Mr. Bawn reported the current expenses for the Charleston Marina complex show \$255,000 in the hole. He said the revenue for the Ice Plant this year is \$170,356, and a net income of minus \$156,054.81; this is a loss of \$83.36 per ton. The Ice Plant was shut down the week prior due to maintenance issues. Four new fans will cost about \$10,000 each; this will result in a loss of \$100 per ton of ice sold. Mr. Bawn reported in April there were only 30 individual sales, he said selling ice or not, it cost about \$5,000 a month just to run the plant.

Moorage rate comparisons for Newport vs. Charleston are as follows: annual moorage in Newport for a 30ft vessel is \$2,621, Charleston is \$2,030, a 29% difference. A 40ft annual moorage in Newport is \$3,495, and Charleston is \$2,571; a 36% difference. A 50ft vessel is \$4,369 in Newport, and Charleston is at \$3,384; this is a 29% difference. Mr. Bawn said Charleston is 29-36% below all other nearby marinas.

Charleston has the lowest transient rates around, Mr. Bawn said, at \$0.62 a foot with electricity included and Newport is at \$0.78 a foot and electricity is an additional \$8.00 - \$20.00 a day. Ms. Hornstuen asked if the transients are paying the higher rates in the other ports why is Charleston not charging more. Mr.

Dunning said rates were held last year, this year there will be a 10% increase on all services. Staff are looking at a possible three-year step plan beginning with 10% this year. Mr. Cox said it sounds like the rate increase is not going to be enough to cover the cost. Mr. Nemeth asked if the Port had a marketing campaign to encourage transient customers from the southern coast and California. Mr. Dunning said there is not, however there have been discussions to encourage new customers from the valley to fill the vacant slips in the inner basin. The proposal is to offer three years of annual moorage for the cost of two for new customers only. Mr. Dunning said to also attract people from the valley, there needs to be a locking gate put on G and H docks, so the vessels are more secure. Mr. Bawn added that this is a project being discussed and the cost is about \$25,000.

Mr. Bawn said the targeted priority projects for the 2023/24 budget year are to repair and replace pilings (\$150,000), maintenance (\$150,000), and dispose of thirty derelict vessels (\$150,000). He said Charleston revenue comes in part from moorage, storage, leases, and services provided. Revenue from tax dollars and grants are inconsistent and never guaranteed; loans incur interest and debt. Mr. Bawn said there is a shortfall in revenue to pay for needed projects.

Ms. Hornstuen said the Port brings in a lot of money for all businesses in the community. Mr. Cox said the Shipyard caters to the full coastal fleet and those people bring a lot of money to Charleston, and the local fleet live in town or nearby areas. He said the coastal fleet stays, eats, and purchases in the Charleston community. Mr. Cox said having a bigger and better Shipyard would bring in a lot more of the coastal fleet and more revenue to the area.

## **6. CURRENT PROJECTS UPDATE**

Mr. Bawn said staff are currently working to complete projects for the year-end budget. F, D, and B docks have had major issues with fingers, these repairs are \$1,500 each. The storm water system in the Shipyard had an unexpected repair cost of \$27,000 and the Ice Plant needs repairs as discussed earlier. Mr. Bawn said currently there is still no scheduled dredging for the coming year, which will allow Maintenance Staff more time and focus in Charleston. Ms. Hornstuen asked if staff are budgeting repairs for the rental buildings, she said the buildings seem to be really run down. Mr. Dunning answered these repairs are all part of the \$3.2 million maintenance proposal. Mr. Dunning explained these are projects that can be done with Port staff; however, staffing has become an issue with Charleston short three staff members. Staff recruitment, wage competitiveness and retention have become very difficult in the current economy. Mr. Dunning said also included in the budget is to place 6-yard dumpsters in the inner and outer basin and there will no longer be dumpsters at each dock head, which will save staff time hauling and dumping trash.

Mr. Dunning said staff continues moving forward with the engineering design for the channel project for a container vessel terminal on the North Spit, and final ship simulations were completed recently in Baltimore, Maryland. Section 107 for dredging from the northern entrance of Point Adams to the launch ramp continues to move forward, as the agreement has been received from the Corps. This agreement could end up costing the Port \$150,000 to \$200,000 but in the long run it will be worth it; as in 2018 it cost the Port \$186,000 to dredge that area. The North Jetty project is starting to build the off-load facility where rock will be shipped up from California and will be stockpiled in this area. Rock placement will start next spring. Mr. Dunning said all the work will be done landside so there will be no conflict with vessel traffic in the area.

Ms. Hornstuen asked about the fishery bi-product project with DEQ. Mr. Dunning said engineering estimates are coming in showing what it is going to take to operate the facility and it is a much higher dollar figure than anyone expected. Mr. Cox asked if there are any grants currently being applied for or in the working stages. Mr. Dunning said staff are looking at all possibilities. Mr. Leberti said the Port purchases property and does nothing with it and does nothing for Charleston. Mr. Dunning said the Port spends a lot of money trying to stay in environmental compliance, and in the last six years \$10 million has been spent in Charleston.

Ms. Hornstuen asked if there is any update regarding the County repairing the road going to the Shipyard. Mr. Dunning said staff have talked to the County Commissioners for years and the County will not do any repairs to that road. Ms. Hornstuen said when she spoke with a County Commissioner, he was unaware of any homes and businesses on that road. Mr. Dunning said Knife River quoted \$80,000 to fix the drainage and repair the road in the past. Mr. Cox asked if there is a Commission to approach, Mr. Dunning suggested going to a County Commission meeting. Mr. Nemeth said in his understanding, the County vacated the maintenance, but they haven't vacated the road, so it is still a County Road. Mr. Dunning said that is what the County says but he has not been able to get any written documentation showing it. Mr. Nemeth said he would go to the County and find out what they say, he will establish whose road it really is, and he will report back in the next meeting.

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

Mr. Nylander asked if there were any questions or maintenance concerns from the customer's perspective. Ms. Hornstuen said she had a comment from one of the Port's tenants. The tenant was unclear as to whom was responsible for electrical repairs. She suggested staff present the rental agreements more clearly at the time of lease signing. Mr. Bawn explained that the electrical has been taken care of, the repairs on the Port's responsibility are complete. Mr. Dunning explained that lease prices are lowered in accordance with how much responsibility the tenant agrees to in the lease agreement. Mr. Nylander added that typically the landlord replaces fixtures, and the tenant is responsible for normal wear and tear and reminded that communication is key.

Mr. Dodge, an RV Park customer asked about the Wi-Fi service in the park. He said his connection has been sporadic in recent days. Ms. Comstock said she would check on it. Mr. Dodge said he had looked at trying to get other companies to bring the 5G in for his service. Mr. Dunning confirmed the companies will not bring the fast speeds out to the rural areas. Ms. Donnelly, a Charleston neighbor added she was able to get Spectrum 5G to her home. She said she lives just across the Charleston Bridge and suggested staff look into this possibility.

Ms. Donnelly asked if the Port has a maintenance program. She said the tenor of the conversation seemed the staff were asking the committee what work needed to be done. An entity trying to generate a return on investment would have a plan to justify higher prices. Mr. Dunning said the question to the committee is to share what they might see that staff may not be aware of. He said Mr. Bawn and his staff have carried out an extensive maintenance plan this year; completed just recently and the result was \$7.1 million of work being needed. Mr. Leberti said the Port does not use any of its tax dollars for Charleston, he said it all goes to the overhead in Coos Bay. Mr. Dunning said that was not accurate, Charleston Security Staff 5 FTE's cost half a million dollars and that comes out of the tax revenue.

Ms. Donnelly said her observation is that it feels like the Administration valuing Charleston activities as if it were trying to be a "for profit" operation and never quite making it there.



She said the return-on-investment analysis doesn't seem to be the same for Charleston as it is for any other Port projects. Mr. Dunning responded, saying money is being spent in Charleston. He explained that everything is subsidized so when funds are obtained, the work that is needed cannot be fully completed. For example, staff want to budget for 40 pilings, but that is not possible, only 10 can be funded for next year. Mr. Cox said perhaps the Port is spread too thin with all the different properties and projects. Mr. Dunning explained the Port is not just for Charleston, the entire Port operations are the end goal. The Rail with Container Ships will bring in the revenue needed to do the projects that need to be done.

## **8. PUBLIC COMMENT**

Mr. Flemming asked if the 10% increase is across the board for moorage. Mr. Bawn responded yes. Mr. Flemming asked if this included storage units, the Shipyard, and work areas as well. Mr. Bawn confirmed this was correct. Mr. Flemming said comparing Charleston with Newport, he said there is more to look at than just pricing. Newport has not had the depressed economy that Charleston has had. He said supply and demand should be factored in, and comparison of amenities as well. Mr. Flemming commented on the road to the Shipyard, he said emphasis to the County should be a safety approach to include emergency response vehicles being able to access to a hazardous industrial area. Mr. Flemming commented that the six months allowed for working on the boats is difficult in the Charleston area. The area doesn't often allow six months of dry workable weather.

## **9. COMMITTEE COMMENT**

Mr. Cox said in regard to the rate increases, people want to see where the money is going. He said he thinks there needs to be some visible improvements made to go along with the rate increases. Mr. Bawn explained the \$10,000 in repairs just completed on F Dock are not visible. Mr. Bawn said Staff are doing the best that they can with what they have. Mr. Dunning said the 10% and then some went back into the expense line items in the new budget for this year.

Ms. Hornstuen said she has a kudos to offer. She said the report on Charleston was very well done and the help and support from the Port Staff putting on the Fisherman's Memorial event, helping set up and take down is important to the community as a whole.

Mr. Nylander said it was a good meeting with a lot of topics covered. He said public customers are encouraged to come to the meetings and discuss the issues they have, avoiding personal attacks and snarky comments, as the more information shared the better.

## **10. NEXT TENTATIVE MEETING DATE**

The next tentative meeting is scheduled for Wednesday, July 19, 2023 at 12:00 p.m.

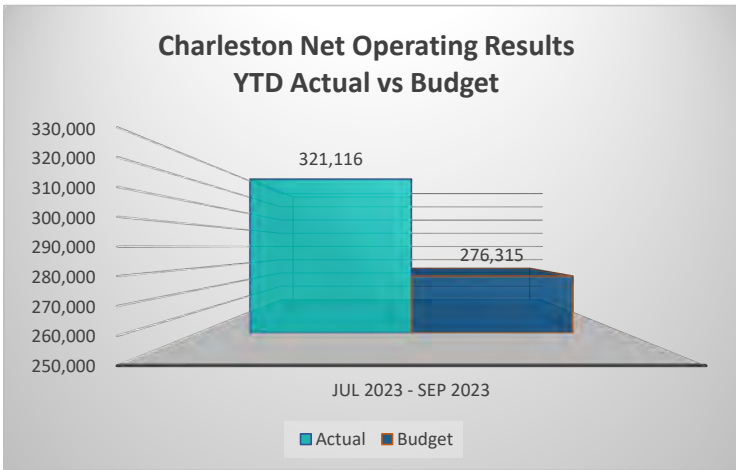
## **11. ADJOURN**

Chair Nick Nylander adjourned the meeting at 1:27 p.m.

# Financial Data Review

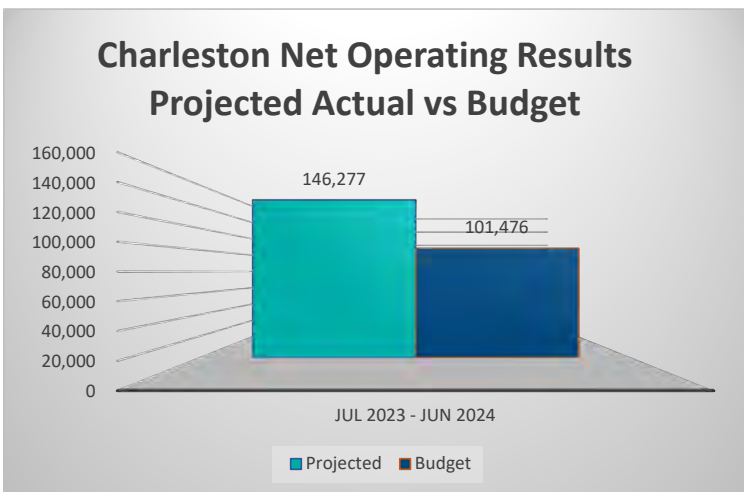
Preliminary

	Year to Date						Year End			
	Jul 2023 - Sep 2023				Prior FYTD vs Current FYTD		Jul 2023 - Jun 2024			
	Actual	Budget	\$ Diff	% Diff	Last FY	\$ Diff	% Diff	Projected	Budget	% Diff
Charleston Operating Income	761,838	892,025	(130,187)	(15%)	783,102	(21,264)	(3%)	2,416,378	2,546,565	(5%)
Charleston Personnel Expenses	201,174	224,790	(23,616)	(11%)	181,734	19,440	11%	823,475	847,091	(3%)
Charleston Operating Expenses	239,549	390,921	(151,372)	(39%)	303,710	(64,161)	(21%)	1,446,626	1,597,998	(9%)
Charleston Total Expenses	440,722	615,711	(174,988)	(28%)	485,443	(44,721)	(9%)	2,270,101	2,445,089	(7%)
Charleston Operating Results	321,116	276,315	44,801	16%	297,659	(23,457)	8%	146,277	101,476	(44%)
Other Income	802	0	802	-	37,317	(36,515)	(98%)	32,802	32,000	3%
Other Expense	27,330	79,703	(52,373)	(66%)	3,893	23,437	602%	721,549	773,922	(7%)
Net Other Income	(26,529)	(79,703)	53,175	67%	37,317	63,846	(171%)	(688,747)	(741,922)	(7%)
<b>Charleston Net Results</b>	<b>294,587</b>	<b>196,611</b>	<b>97,976</b>	<b>-50%</b>	<b>331,083</b>	<b>36,495</b>	<b>(11%)</b>	<b>(542,470)</b>	<b>(640,446)</b>	<b>(15%)</b>



Charleston Marina is showing an operating result of a \$321K gain compared to a budgeted gain of \$276K, which is \$45K better than plan. This is due, in part, to the following factors:

- Year to date expenses are underspent by about 28%. Operating expenses are underspent due to lower than projected revenues to date.



Based on current information, if Charleston would perform to budget for the remaining fiscal year the projected operating result would end the year \$45K better than budget.