

**OREGON INTERNATIONAL PORT OF COOS BAY
CHARLESTON MARINA ADVISORY COMMITTEE MEETING
12:00 p.m., Wednesday, February 23, 2022
Charleston Marina RV Park, Recreation Room**

MINUTES

ATTENDANCE

Advisory Members:

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

Port Staff:

Brandon Collura, Harbormaster; Mike Dunning, Chief Port Operations Officer; Lanelle Comstock, Chief Administrative Officer; Margaret Barber, Director of External Affairs and Business Development; Cheryl Charitar, Charleston Office Administrator; Ray Dwire, Security; Mickey Pulse, Maintenance Operator; Dani Erm, RV Park Administrative Assistant; and Krystal Karcher, Administrative Assistant.

Guests:

John Payne; Mathew Clarke; Rachelle Foster; Lance Porteur; John Perry; Mike Hage; John Moir; David Young; Otar Overacker; Richard Shore; and Ed Fleming.

1. CALL MEETING TO ORDER

Chair Nick Nylander called the meeting to order at 12:00 p.m.

2. INTRODUCTION OF GUESTS

3. REVIEW AND APPROVAL OF MEETING MINUTES

A. Approval of May 5, 2021 Meeting Minutes

Upon a motion by Michael Armstrong (Second by Knute Nemeth), the Charleston Advisory Committee Members voted to approve the May 5, 2021 Meeting Minutes. **Motion Passed.**

4. FINANCIAL DATA REVIEW

Harbormaster Brandon Collura reviewed the financial data for Charleston Operations, as included in the packet, the financial data review covers the first half of the fiscal year. Charleston operating income was ahead of plan at \$1.297 million versus a budget of \$1.185 million. Personnel expenses were lower than budget by \$41,060. Operating expenses also came in under budget at \$440,696 versus a budget of \$505,076. Total operating expenses were \$810,577 with a budget of \$916,017. Charleston net result was a gain of \$117,140 versus a budgeted loss of \$223,321. The gain, which is better than plan by \$340,461 is due in part to revenues being within 9% of plan. Revenues across the Marina performed

better than plan and made up for the shortfall created by the lack of ice sales. Year to date maintenance expenses are underspent due to the timing of projects. Other revenues and expenses are below plan due to the timing of capital projects planned for the year. Projects are underway in recent months but have not been reflected in the financial data being presented. Assuming the current trends continue, the projected operating results would end the year about \$218,000 better than budget.

Kyle Cox asked what happens when extra money is saved. Mr. Collura stated if there is any type of surplus at the end of the year it would be reallocated to another project, through a supplemental budget if needed. Kathleen Hornstuen asked if the Master Plan is consulted when considering which projects to fund. Mr. Collura confirmed it is.

5. CURRENT MARINA PROJECTS UPDATE

Mr. Collura stated it has been nearly a year since this group met so there are a number of updates. He asked that everyone hold their questions until the end of each segment to keep the meeting organized.

The most recent capital improvement project completed was the replacement of 20 piling in the Inner Basin between G and H docks, at a cost of \$99,500. Also just recently completed was the replacement of the media for the Shipyard stormwater system. This media is an essential component of running the Shipyard and meeting DEQ requirements. This capital expenditure cost \$122,000 and is needed every five years. There has been approximately \$35,000 spent to date this fiscal year to repair 13 fingers in the Inner and Outer Basins, and to either repair or replace 21 electrical pedestals. Staff will continue to work on finger repairs as they are able to throughout the Spring.

The roof of the Giddings building sustained damage in the windstorm of early January 2022. Temporary repairs were made and staff are awaiting quotes from multiple roofing companies to make permanent repairs. Some companies are backed up into the Summer, but staff are hopeful that bids will come in soon and repairs will be made to that facility.

On Monday, January 10, 2022 the MV Gypsy Artist sank while tied up at the DWF dock. It was salvaged and hauled out a few days later, which came at a total cost to the Port of just under \$60,000. Costs included dive services, equipment, and staff time for maintenance and security personnel. The owner was uninsured and did not have the means to have the vessel hauled out.

Mr. Collura asked if there were any questions regarding the project updates provided. Mr. Cox asked what year the stormwater system was installed. Mr. Collura stated it was in 2017 or 2018. Knute Nemeth stated the system was a great investment to keep the Shipyard running and keep the estuary clean.

6. CURRENT PORT PROJECTS UPDATE

A. Moorage Insurance Requirements

Mr. Collura stated the Port currently owns 20 abandoned vessels and the cost to dispose of these vessels is estimated at \$100,000. Eighteen of these are in the Shipyard and two in the water, and there is a wait list of customers to get into the Shipyard where these vessels are being stored.

A Marina customer stated those boats at one time contributed to the harbor and paid their fees, some of them for many years bringing in a lot of fish and making money for the community. He stated this needs to be remembered, even though they now need to be removed. He stated requiring insurance for these old boats will bring more liability to the Port if something were to happen. He stated his concern that no company will insure some of the old boats and they will leave. Another customer stated he recently tried to get insurance on his boat, which was rebuilt in 1998 but originally built in 1926. It's an old wooden boat that is reasonably sound, but he was refused coverage after the haul-out and inspection.

A Marina customer offered his suggestion to put a percentage of the moorage payments for customers who can't get insurance into a fund to cover those derelict vessels and any small oil spills. He stated the days of the small wooden boat fishermen are over, and this will be another nail in their coffin. These fishermen are customers who pay for moorage services. Mr. Cox agreed there should be some type of "rainy day fund" for the Marina but stated that rates would need to be raised.

Another customer asked why the MV Gypsy Artist was being used as the catalyst for this requirement. He stated he had personally called the Port office because that vessel was not sitting right in the water. He also stated he was not the only one to report the condition and wondered if more could have been done. Mr. Collura stated multiple attempts were made to contact the owner. Mike Dunning stated the MV Gypsy Artist is not the only reason the Port is implementing this requirement. Every port on the Oregon coast has similar requirements, and Charleston is the last to implement this requirement.

A Marina customer asked if somehow the cost could be internalized or outsourced, thereby selling the right to someone that could salvage the vessels for scrap and make a profit instead of incurring a loss. Mr. Dunning stated the Port does contract for this service and spent over \$100,000 in the last few years. The customer again stated the cost could be internalized.

A Marina customer stated the MV Gypsy Artist hadn't been hauled out for many years. Mr. Dunning stated the Port is also looking at including a mandatory haul-out every few years as part of the moorage agreement. This will ensure boats stay seaworthy. Mr. Dunning stated the Port continues to get pressure from State agencies about requiring insurance.

Mr. Nemeth stated the Shipyard and the fishermen need to be maintained. A fundraising effort to appeal to the community and the State would possibly alleviate the pressure on these fishermen. If boats are lost, then business will decline in the Shipyard and elsewhere. Mr. Nemeth stated fishermen have been struggling with rising costs and regulations. If the constraints of the budget have been reached, then another approach is needed such as a public relations campaign to raise money.

Mr. Collura stated that on top of the \$100,000 the Port is planning to spend to dispose of current derelict vessels, there are an additional 32 vessels in the water that have been identified as high risk and most likely unseaworthy. To dispose of all 32 vessels would cost an estimated \$200,000 if they were on land, and \$1.9 million if all 32 sank. A Marina customer asked if a number like that would qualify as a national disaster. Mr. Collura stated if it was storm related, then possibly.

Mr. Collura stated he consulted with seven ports along the Oregon coast including Astoria, Garibaldi, Toledo, Newport, Salmon Harbor, Bandon, and Brookings. These ports all require insurance to have a moorage agreement, and also require the port to be listed as additional insured. A Marina customer asked what level of coverage will be required. Mr. Collura stated general liability coverage to include wreck removal and pollution liability at a \$500,000 coverage level. Charter vessel operations would require a \$1 million policy.

A Marina customer stated the one providing the service should be the one insured, and if the customers could collectively pay for that insurance it would solve the problem. Mr. Dunning stated Port staff will take another look at this, as it is a difficult decision that will negatively impact some vessels in the Marina, many of them hard working families doing the right thing.

Mark Fleck stated there are multiple businesses using the facility and asked if there was a way to ensure all businesses pay their fair share. Mr. Dunning stated there is a business license program, but it is hard to enforce; just as the live aboard policy is also hard to enforce. Mr. Dunning stated there should be no one using their vessel as a primary residence, as opposed to a crew staying onboard a vessel while working. There are State requirements that must be met for a Marina to allow live-aboards. Ed Fleming stated the live-aboard policy is not on the agenda today rather it is the insurance issue, and then stated there is no ordinance against living aboard. Mr. Dunning stated the discussion got off track, but the no live-aboard policy is included as part of the Ordinance 143. Mr. Fleming stated there is language in the ordinance that allows for a "live-aboard permit" and he has a letter from a former CEO stating the ordinance was never enforced. Meetings were promised to address the live-aboard issue but there were no meetings. Mr. Dunning stated this could be added to the agenda for discussion at the next meeting.

Mr. Collura stated the Board of Commissioners will be presented with the new ordinance requiring moorage customers to carry insurance. The ordinance will follow standard ordinance procedure prior to adoption, including opportunity for discussion and public comment.

Nick Nylander asked how it is decided who gets the proceeds in the event of a loss. Mr. Dunning stated the Port would be listed as additional insured so the insurance company would pay the Port directly. The Port would not profit from the loss, and any proceeds remaining would go to the vessel owner.

Mr. Armstrong asked if the Port has contacted the Oregon State Marine Board to determine if the ORS's that apply could be amended. If ORS 830.948, which excluded abandoned and derelict vessels, could be amended then the fund is already set up. Mr. Dunning stated the statute does not cover commercial vessels. Ms. Hornstuen asked if it would be worthwhile to contact legislators. Mr. Dunning stated Port staff have been working on this issue for years. Margaret Barber stated the problem has come to the forefront in recent years but a solution is likely still years out.

Mr. Nemeth stated an emergency should be declared, as this will cause the Port to lose fishermen creating an economic emergency. Mr. Nemeth stated the fishermen pay their fees and the Port has worked hard but if the money is not in the budget, then an emergency declaration would take action to solve the issue. Mr. Dunning stated other ports have implemented this policy without an emergency declaration, so it would be hard to make the case that Charleston is different or special.

A Marina customer stated this Marina is the last bastion of hope for small boat owners who have left the other ports. Mr. Dunning stated it would be good to know how many small boats this would affect. A Marina customer asked if anything could be done to include the cost of insurance in the moorage fee. Mr. Dunning stated revenue currently collected from moorage doesn't cover the overhead to operate the facility and adding this cost would increase rates exponentially. Mr. Armstrong stated again the Port should look at ORS 830.948. Mr. Dunning stated the Port has used this program, as recently as this year but it doesn't cover all the problem.

A Marina customer stated there is a vessel in the South Slough Estuary that sank once already, and he has contacted multiple agencies but nothing has been done. He stated if the insurance requirement goes through, there will be more like this. Another Marina customer asked whether money had been taken

from Charleston to fund the Railroad operations. Mr. Dunning confirmed that no money has gone from Charleston to the Railroad. Mr. Cox stated the money and budgets may be separate, but the Railroad does take energy from Port staff which takes away from Charleston.

B. Community Events Update

Ms. Barber stated community events are returning this year, including the Charleston Fisherman's Memorial which will be held on May 30, 2022 at 10 a.m. The Seafood Festival will also return the second week in August and Octoberfish will be held the first weekend in October.

C. Charleston Marina Complex Planning and Survey

Staff has been working on a community survey which will help to determine the greatest needs for the Charleston Marina Complex. The survey will be distributed to a broad spectrum of stakeholders to solicit feedback which will help establish priorities in capital projects planning for the coming years. Capital projects are often driven by funding availability and there are many infrastructure needs in Charleston.

Mr. Cox asked whether the survey would include certain properties and if they would change or remain the same, such as the Shipyard. Ms. Barber stated it is still in the development process, but staff are envisioning a survey that will address all aspects of the complex. Mr. Cox asked whether this will be just a questionnaire or a more in-depth look. Ms. Barber stated it will begin with a survey and then the results will determine the next steps. Mr. Cox asked who will receive the survey. Ms. Barber stated it will go to a large list of stakeholders, and staff will encourage people to share it. Mr. Nemeth asked if Port district taxpayers would also be given notification. Ms. Barber stated the primary focus will be on people with a vested interest in Charleston.

Mr. Cox asked to clarify something CEO John Burns had said in an email communication regarding uses of the Shipyard property, and whether it would become something other than a Shipyard. Mr. Cox asked if the intention of the Port was to get rid of the Shipyard. Mr. Dunning stated he is not aware of such plans but cannot speak for Mr. Burns who is not present.

Mr. Cox stated he has applied for a Connect Oregon grant of \$5 million to replace all the docks in the Shipyard. Lou Leberti asked if the grant was to replace Port owned docks why the Port doesn't apply. Mr. Dunning stated the business operating the docks must be the one to apply. Mr. Leberti then asked about grants for the railroad. Mr. Dunning stated those grants are to fix the infrastructure of the railroad. Grant money cannot be used for anything other than the intended project. The Port does not profit from grants and often there are match dollars required.

D. Dredging Section 107

Mr. Dunning stated Section 107 of the Continuing Authorities Act is through the US Army Corps of Engineers. The last time the Port dredged near Point Adams it cost \$186,000 to remove 14,000 CY. The Continuing Authorities Act would have the Federal government take over the navigation channel from the beginning of Pt. Adams to the boat ramp. Dredging of this area would then fall under Federal responsibility. This will entail a feasibility study at a cost of \$600,000 with the Port paying about \$200,000 of that. The study will take about two years and the Corps has initial funding to start the study. Mr. Dunning stated the Port would be responsible for 10% of the dredging cost under this act.

E. North Jetty Repair Project

Mr. Dunning stated the North Jetty Repair Project is moving forward, with the \$68 million in funding having been approved. There is a small delay in that one contractor has protested the award, so it will now go through the public contracting process for protest. After that, it is likely the contractor will start mobilizing in equipment and rock to the site.

7. ROUNDTABLE DISCUSSION ON FACILITIES MAINTENANCE NEEDS

Chair Nick Nylander asked for any committee or staff input on the facilities maintenance needs.

Mr. Dunning shared that a Maintenance Operator has been hired for the Marina, taking the position that will be vacated when Rick Stewart retires in about a month. Mr. Dunning also stated that he (himself) will be more directly overseeing Charleston Operations going forward and will be more involved.

Mr. Nemeth asked if any progress has been made with the paving of Troller Road. Mr. Dunning stated efforts continue to move this issue forward. The County has vacated the maintenance of this road.

Ms. Hornstuen asked if the RV Park Rec Room would be available again for local non-profits to meet. Lanelle Comstock stated it has been made available recently. Ms. Hornstuen stated the Marine Life Center is open again on Fridays and Saturdays.

8. PUBLIC COMMENT

Ed Fleming, Marina customer, stated there should be more meetings regarding only the insurance requirement so that all questions can be answered and concerns addressed. Mr. Fleming suggested the Port notify all moorage customers by mail of the requirements and any proposed ordinances, and any meetings to be held in the future. Mr. Fleming stated there should be a long time frame to comply prior to enforcing any penalty. Mr. Fleming stated with 32 non-seaworthy boats, if the owners' intentions are to make those boats seaworthy, they would all need to be hauled out.

Mr. Fleming asked when the action item will go to Commission for approval. Mr. Collura stated the original intent was for March, but staff will evaluate the feedback from this meeting. Mr. Fleming asked for confirmation that it would not go to Commission in March. Mr. Collura stated that is undetermined at this time. Mr. Fleming stated the time frame is important to know for customers who want to make additional objections, and more information needs to be shared as to what coverage will be required. Mr. Collura stated the ordinance will require a general liability policy with \$500,000 minimum coverage inclusive of wreck removal and pollution liability, with the Oregon International Port of Coos Bay listed as additional insured. This is for recreational and commercial vessels, and charter vessels will need a \$1 million policy.

Mr. Fleming asked if the Port could provide contact information for insurance providers who might offer coverage for older vessels, that it would be helpful for customers to have that information. Mr. Collura stated he would put together a short list. Mr. Fleming asked if there would be another meeting regarding this issue. Mr. Collura stated there no plans for another meeting. The Port Commission meetings have public comment time available. Ms. Comstock stated the ordinance will go before Commissioners twice

prior to approval. There will be two different readings, then 30 days after adoption prior to the ordinance taking effect.

9. COMMITTEE COMMENT

Mr. Armstrong restated his earlier suggestion to look into the ORS 839.911, which includes vessels abandoned in the navigation channel or those in danger of sinking. Mr. Armstrong stated this statute covers vessels anywhere in the water and is a tool the Port could use.

10. NEXT MEETING DATE

The next committee meeting is scheduled for Wednesday, May 4, 2022 at 12:00 p.m.

11. ADJOURN

Chair Nick Nylander adjourned the meeting at 1:40 p.m.