

OREGON INTERNATIONAL PORT OF COOS BAY

Coos Bay, Oregon

REGULAR COMMISSION MEETING

11:00 a.m., Wednesday, June 18, 2025

Port Commission Chambers, 125 Central Avenue, Suite 230, Coos Bay, Oregon 97420

ATTENDANCE

Commission:

Kyle Stevens, President; Nick Edwards, Vice President; Kyle ViksneHill, Treasurer; and Arnie Roblan, Commissioner. Elise Hamner, Secretary was excused.

Staff:

Lanelle Comstock, Chief Executive Officer; Megan Richardson, Director of Finance and Accounting; Matt Friesen, Director of External Affairs; Rick Adamek, Director of Asset Management; Brian Early, General Manager, Coos Bay Rail Line; Ray Dwire, Charleston Marina Manager; Krystal Karcher, Administrative Services Manager; and Christina Sanders, Administrative Assistant.

Media & Guests:

Jan Hodder; Mike Graybill; Christine Moffitt; Dean Lundie; Tallon Trentz, IUOE, Local 701; Aaron Simons, ILWU Local 12; Garth Johnson, ILWU Local 12; and Chris Hansen, ILWU Local 12.

1. CALL MEETING TO ORDER

President Stevens called the meeting to order at 11:00 a.m.

2. INTRODUCTION OF COMMISSIONERS, GUESTS AND PORT STAFF

3. PORT PROJECT UPDATE

A. **Pt. Adams Shoaling and Dredge Project, Presented by Ray Dwire**

Ray Dwire delivered a comprehensive update about the ongoing shoaling issues at Point Adams and the Charleston Marina, as well as the Section 107 Study aimed at improving navigation. Mr. Dwire began by outlining the historical context of dredging efforts, noting that between 2019 and 2020, Port staff used the state-owned dredge, The Laura, to remove 12,500 cubic yards (CY) of sediment from the marina. In August and September 2020, the Port “piggybacked” on a U.S. Army Corps of Engineers (USACE) contract to remove an additional 2,991 CY from the federal navigation channel at a cost of \$28,500 or \$9.55 per CY. In 2021, Port staff dredged another 6,500 CY, placing the material at Site G, and addressed areas under L&S and Russell Marine fuel docks, which was the last time those areas were dredged. No dredging occurred in the federal channel in

2022, which Mr. Dwire identified as a critical factor contributing to the current shoaling crisis, as unaddressed sediment began accumulating rapidly.

Since October 2023, Mr. Dwire has documented the unprecedented growth of the sandbar through monthly photographs, highlighting the severity of the issue, which threatens to shut down the marina's dock and inner basin. In 2024, efforts to address the shoaling were impeded when the USACE's Oregon-Washington clamshell contract received bids over double the anticipated \$14 per CY, leading to a protest that halted the project. The Port explored alternative negotiation with Dutra Group, which initially quoted \$50,000 for mobilization plus \$35 per CY for 10,000 CY, later adjusting to \$125,000 mobilization plus \$25 per CY for 7,000 CY after the contract protest. Another option with Manson Construction, which cost \$5,500 per hour for 36 hours, was abandoned due to late-season weather risks. These setbacks left the Port with an estimated 15,000 to 20,000 CY of sediment to remove in 2025.

For 2025, Mr. Dwire reported progress, as the USACE awarded a contract to HME for \$14 per CY to dredge 35,000 CY in the federal channel. The Port seized the opportunity to "piggyback", negotiating with HME to dredge 15,000 to 20,000 CY at \$16 per CY, plus an \$85,000 mobilization fee, totaling approximately \$400,000, a significant cost but within a feasible range compared to the anticipated \$20 per CY. Discussions with Russell Marine continue to explore "piggyback" dredging for their adjacent area.

President Stevens asked why the mobilization fee was so high if the company was there already. Mr. Dwire stated that Dutra and HME both advised that the mobilization fee was standard practice, even for a short distance. Mr. Dwire explained that \$85,000 is a savings compared to \$125,000 to \$350,000 if equipment were mobilized independently, and that costs for mobilization fees have been rising.

Commissioner Edwards asked if there has been a conversation with USACE about how much sediment could be placed at Site G. Mr. Dwire stated he had addressed concerns raised by the USACE regarding the capacity of Site G. Historically, Site G has handled 5,000 to 12,000 CY annually. The USACE expressed worries about the site's long-term viability, given the estimated 140,000 CY of sediment needing removal to fully address the shoaling issue. Mr. Dwire emphasized that Site G remains critical for maintaining marina operations, and the Port is advocating for its continued use, underscoring its necessity despite the capacity concerns.

Mr. Dwire explained that the Section 107 Charleston Marina Navigation Improvement Study explores the feasibility of extending the federal navigation channel into the marina to shift dredging responsibilities to the USACE, reducing the Port's financial burden. Mr. Dwire provided historical context, showing how sand movement since 1944, influenced by jetty construction, has driven shoaling into the marina. The study considers three increments: extending the channel to Pacific Choice would be increment three, to the boat ramp and Lazio dock would be increment two, or just past the fuel dock, which would be increment one, with the latter being the likely recommendation. Costing approximately \$300,000, the study requires the Port to cover 10% of any improvements, up to \$1 million for \$10 million in enhancements. The timeline includes a rescheduled public Q&A in July 2025. The final report is expected in August and approval by September 2025, potentially transferring dredging responsibility to the USACE by 2026.

The Commissioners praised Mr. Dwire for the detailed chronology and expressed hope that lessons learned would prevent future delays. Mr. Dwire emphasized continued advocacy from private businesses and state officials to ensure dredging occurs.

B. Port Financial Update, Presented by Megan Richardson

Megan Richardson presented the financial update for April 2025, detailing the Port's fiscal performance. Operating income in April totaled \$285,000 against a budgeted \$380,000, resulting in a \$96,000 shortfall. Administration continues to have vacant spaces within the Hub Building which has resulted in a \$3,000 shortfall; however, a new tenant has signed a lease which will help mitigate the shortfall in the future. Port Operations saw \$20,000 in unanticipated revenue from a prorated Terminal One contract, though the tenant has since departed. Rail revenue experienced a \$62,000 shortfall due to lower-than-expected carloads. There are three main revenue lines that support Rail Ops for the General Fund; the first being rail leases which is based off the property the Port owns, the second is surcharges which are billed directly to the rail customers, and the third is the management fee which is billed to CBRL. Due to the lack of carloads this year, the fee will not be billed to the CBRL for the remainder of this fiscal year. 476 carloads were recorded against a budgeted 600 for the month of April, which has contributed to a year-to-date shortfall of approximately \$452,000 to the General Fund.

Charleston Operations reported \$206,000 in revenue in April, against a budgeted \$237,000, a \$31,000 shortfall across multiple business lines, with a year-to-date deficit of \$143,000. Operating expenses in April were \$432,000 compared to a budgeted \$498,000, underspent by \$67,000. Port Operations exceeded its budget by \$9,000 due to final payroll for separated staff. Railroad Operations overspent \$23,000 on repairs to the swing span bridge and emergency repairs to bridges near Veneta. The operating loss was \$147,000 against a budgeted loss of \$118,000. Other Income reached \$57,000, exceeding the budget of \$22,000, due to an insurance claim payout for wind damage at the shipyard. Other Expenses were \$25,000 against a budgeted \$40,000. Financial Expenses & Taxes was over budget by \$1,753 due to paying out insurance claims for the Rail line due to damage to neighboring property. Debt Service interest that was due for the credit line, was previously budgeted to be paid quarterly, but under a new agreement, it is being paid monthly.

The total net result is a loss of \$115,000 compared to a budgeted loss of \$136,000, with a year-to-date gain of \$325,000 against a budgeted loss of \$438,000, which is approximately \$763,000 better than planned.

3. PUBLIC COMMENT

A. Christine Moffitt commended the Port for enhancing transparency by making fiscal matters more accessible to the public. Ms. Moffitt expressed concerns about the strategic planning process, noting that the online survey lacked sufficient context or explanation of the Port's role and significance. Ms. Moffitt suggested that effective community engagement requires facilitated group discussions and stratified surveys to capture diverse input, rather than relying solely on those who notice the survey. Ms. Moffitt requested a clear timeline and more proactive

outreach efforts. Matt Friesen and Lanelle Comstock responded, highlighting that the survey, as an initial step, has garnered over 400 responses, an impressive turnout according to consultants. Mr. Friesen outlined plans for multiple open houses and community meetings, with the survey remaining open until mid-July. Distribution efforts include social media, the Port's website, and posters in Charleston Marina and Coos Bay. Mr. Friesen added that a consultant-led community meeting is scheduled for July, with further details to be shared as they become available.

4. **CONSENT ITEMS**

- A. Approval of April 17, 2025 Regular Commission Meeting Minutes
- B. Approval of May 21, 2025 Budget Committee Meeting Minutes
- C. Approval of April and May Invoices
- D. Approval of April and May Contracts Awarded

Upon a motion by Commissioner ViksneHill (second by Commissioner Edwards), the Board of Commissioners voted to approve the April 17, 2025 Regular Commission Meeting Minutes, May 21, 2025 Budget Committee Meeting Minutes, April and May Invoices, and April and May Contracts Awarded. **Motion Passed Unanimously.** (Ayes: Stevens, Edwards, ViksneHill, and Roblan. Nays: None. Absent: Hamner).

5. **MANAGEMENT REPORTS**

All Management Reports were included within the Meeting Packet.

6. **BUDGET HEARING – FY 2025/26**

A. Public Hearing

President Stevens opened the public hearing at 11:40 a.m.

Ms. Richardson presented Resolution 2025Res04 for the adoption of the FY 2025/26 budget. The Port's Budget Committee approved the proposed 2025/26 Fiscal Year Budget after its first budget committee meeting on May 21, 2025. Each year, following the Budget Committee's approval of the budget, the Commission is required to hold a public hearing. The objective of the public hearing is to receive testimony from any person present.

During the regular Commission meeting, the Commission is allowed to make changes to the budget if the total change in any fund does not exceed \$5,000 or 10%, whichever is greater. Changes in excess of 10% would require the Commission to publish notice of a second budget hearing and a new financial summary and hold the second hearing before the adjusted budget can be adopted.

If no significant changes are made, the Commission should consider approval of the resolution adopting the budget.

President Stevens asked for any public comment or testimony on the proposed resolution. There being none, President Stevens closed the public hearing at 11:41 a.m.

Commissioner Roblan discussed the budget’s challenges, emphasizing the need to balance employee support with financial sustainability, with Commissioner ViksneHill noting that FY 2026/27 would pose even greater difficulties due to tightening fiscal constraints.

B. 2025Res04: Adoption of Budget, Making Appropriations, Imposing and Categorizing Taxes – Combined for Fiscal Year 2025/26

Upon a motion by Commissioner Edwards (second by Commissioner Roblan), the Board of Commissioners motioned to approve Resolution 2025Res04, a resolution adopting a budget, making appropriations, imposing, and categorizing taxes – combined for the 2025/26 fiscal year. **Motion Passed Unanimously.** (Ayes: Stevens, ViksneHill, Edwards, and Roblan. Nays: None. Absent: Hamner).

7. ACTION ITEMS/REPORTS

A. 2025Res05: Adoption of Supplemental Budget for Fiscal Year 2024/25

Staff wishes to reallocate department appropriations and contingency in the General Fund and reallocate appropriations between object classifications in the Dredge Fund. In the General Fund, the reallocation of appropriation from Charleston Ops and the contingency category is to account for the unforeseen repairs on the rail line bridges expended in the Rail Operations department. In the Dredge Fund, the Personnel Services was greater than anticipated due to the breakdown of equipment during the dredge project completed during the fiscal year. The proposal will increase Personnel Services and decrease Materials & Services. These reallocations will have a net-zero effect on the total appropriation level of each fund.

Staff wishes to amend the 2024/25 budget as follows:

<u>General Fund</u>	<u>Budgeted Amounts</u>	<u>New Amounts</u>	<u>Change</u>
1 Administration	\$1,745,518	\$1,745,518	-
2 Charleston Ops	3,300,920	3,069,050	(231,870)
3 External Affairs	372,249	372,249	-
4 Port Ops	512,609	512,609	-
6 Rail Ops	760,716	1,020,595	259,879
Non-Departmental			
Debt Service	1,353,135	1,353,135	-
Contingency	28,009	-	(28,009)
General Fund Total	\$8,000,494	\$8,000,494	\$ -
<u>Dredge Fund</u>			
Personnel Services	136,458	210,263	(73,805)

Materials & Services	685,251	611,445	73,805
Total Dredge Fund	\$821,709	\$821,709	\$ -

Under Oregon Budget Law, if a change in expenses to any one fund is greater than 10%, or if allocating contingency to another expense category is greater than 15%, then a budget hearing is required. In the case of both funds, they are both less than the 10% threshold and can be changed by resolution.

Upon a motion by Commissioner Roblan (second by Commissioner ViksneHill), the Board of Commissioners motioned to approve Resolution 2025Res05 adopting the supplemental budget reallocating appropriations to incorporate changes in both the General Fund and Dredge Fund. **Motion Passed Unanimously.** (Ayes: Stevens, ViksneHill, Edwards, and Roblan. Nays: None. Absent: Hamner).

B. 2025Res06: Update Signature Authority on Umpqua Bank Account

Port Policy Chapter 12 outlines the internal controls and authorization for financial management of the Port of Coos Bay. All Port bank accounts must be authorized and approved by the Board of Commissioners. With Mike Dunning’s departure from the Port, staff wishes to remove Mike Dunning and update the signature authority documents for the following bank accounts, to be effective June 18, 2025:

- ZBA Disbursement Checking Account #2511
- ZBA Payroll Checking Account #5360
- Money Market Sweep Account #3394
- General Concentration Sweep Account #3139

The following individuals will be authorized signatories on these Umpqua Bank accounts:

Lanelle Comstock	Chief Executive Officer
Megan Richardson	Director of Finance & Accounting
Mary Green	Accounting Supervisor
Kyle Stevens	President
Kyle ViksneHill	Treasurer

Due to the small size of the administration staff Port staff wishes to add Mary Green as a bank signer. The finance department strives to maintain separation of duties for internal control purposes. Therefore, her use as a bank signer will be for exceptions when a second signer is required and no other staff is available. Staff will also document the exceptions for audit.

A resolution is required for signature authorization for the bank accounts.

Upon a motion by Commissioner Roblan (second by Commissioner Edwards), the Board of Commissioners motioned to approve Resolution 2025Res06 updating signature authority for the banking accounts at Umpqua Bank, Coos Bay Branch. **Motion Passed Unanimously.** (Ayes: Stevens, ViksneHill, Edwards, and Roblan. Nays: None. Absent: Hamner).

C. 2025Res07: Declaration of Exemption from Competitive Bidding – 2025 Point Adams Dredging Project at the Charleston Marina

From November 2023 through May 2025, the Port has seen unprecedented shoaling of large quantities of sediment (sand) into the access channel of the Marina in the vicinity of Pt. Adams. The only waterside fuel dock and a Port owned 10,000 sq ft fish processing facility and dock is located adjacent to this access channel. As a result of this shoaling, over 70% of the access in the channel is unusable and poses a risk to mariners. The processing dock face is not accessible during any tidal stage, rendering this facility useless for waterside offloading and operations. This access channel also serves a large private fish processing facility within the inner basin, making the channel a vital link to its operational and fiscal success.

The beginning of this access channel is part of the federal navigation channel and is maintained by the USACE. This area was last dredged by the USACE in 2020. Maintenance dredging was not accomplished in 2022 when the Port last dredged their portion of the prism using the State-Owned Dredge, The Laura. It is now estimated that 15,000 CY to 20,000 CY of material currently needs removal from the Port's area of responsibility.

The mobilization costs for this type of dredge equipment to Coos Bay can be in excess of \$275,000.00. Fortunately, the USACE will have this equipment already mobilized to conduct dredging within the federal channel adjacent to the Marina's dredge prism. Contracting this equipment for the Port's work will result in significant savings and take the dredge prism to an authorized depth of approximately -15 MLLW.

According to ORS 279C.300 Policy on competition: It is the policy of the State of Oregon that public improvement contracts awarded under this chapter must be based on competitive bidding, except as otherwise specifically provided in ORS 279C.335 for exceptions and formal exemptions from competitive bidding requirements.

According to ORS 279C.335 Subsection (2) Paragraph (b): Awarding a public improvement contract under the exemption will likely result in substantial cost savings and other substantial benefits to the contracting agency or the state agency that seeks the exemption.

Subsection (4) states: In granting exemptions under subsection (2) of this section, the Board of Commissioners for the Oregon International Port of Coos Bay, acting in its capacity as its own local contract review board, shall: (b) Require and approve or disapprove written findings by the contracting agency that support awarding a particular public improvement contract without the competitive bidding requirement of subsection (1) of this section. The findings must show that the exemption of a contract complies with the requirements of subsection (2) of this section.

Exhibit A of the Resolution Declaring an Exemption are the findings submitted by the contracting agency for review by the Board of Commissioners for the Oregon International Port of Coos Bay, acting in its capacity as its own local contract review board.

Upon a motion by Commissioner Edwards (second by Commissioner Roblan), the Board of Commissioners motioned to adopt Resolution 2025Res07, a motion declaring an exemption from competitive bidding for the 2025 Point Adams Dredging Project at the Charleston Marina. **Motion Passed Unanimously.** (Ayes: Stevens, ViksneHill, Edwards, and Roblan. Nays: None. Absent: Hamner).

D. 2025Res08: Port of Coos Bay Rate Schedule for FY 2025/26

As part of the annual budget process, the Port of Coos Bay and Charleston Marina rates are reviewed each year and may be adjusted by the Consumer Price Index and/or by market analysis (each year staff surveys the rates and schedules of comparable facilities for comparisons).

The following rate increases to the Charleston Marina rates were presented to and discussed at the Port of Coos Bay Budget Committee meeting, and the projected budgeted revenues of the Charleston Marina were based on these revised rates:

- 3% increase – Charleston Marina, Charleston Marina Storage Units, and Charleston Shipyard Services.
- 8% increase – Dry Storage for Crab Pots and Fishing Gear (\$0.25 - \$0.27/sq’).
- 10% increase – Charleston Marina Dry Storage for Boat Trailers and Boat & Trailers and Public Dock Hoist Rental.
- Fuel Delivery, Per Gallon change from \$0.05/gal to \$0.07/gal.
- Credit Card Processing Fee from 2.5% to 3%.
- There will be no fee increases for Ice Sales, Shipyard Environmental Fee, Daily Launch Ramp, Insurance Requirements, Charleston Marina Administrative Services not identified above, or General Administrative Services.

In addition, the following fees were added to the Rate Schedule:

- Extra Shore Power – \$5.00/dy or \$100.00/mo
- Emergency Vessel Pump Out – \$75.00/hr
- Running Water Violation – First offense is a warning, \$25.00 recurring offenses
- Bilge Water Disposal – \$3.00/gal
- Extra Vehicle Parking (RV Park) – \$5.00/dy

The proposed red lined 2025/26 Port of Coos Bay Rate Schedule is attached as Exhibit A to the resolution in the packet. The Rate Schedule may be modified and published by resolution of the Port Commission. Upon approval by the Board, the proposed 2025/26 Port of Coos Bay Rate Schedule will become effective July 1, 2025.

Commissioner Roblan asked whether the Ice Plant was running again. Mr. Dwire stated that the entire chain needed to be replaced, and it has been ordered. Ms. Comstock added that the Port has already paid \$6,000 in repairs to the Ice Plant in recent weeks, and understands this is peak season for Ice. Mr. Dwire stated the Ice Plant failing during this time period is very unfortunate, but staff are utilizing this time to replace four panels in the ice bin, so when the Ice Plant does become operational, it should be back up to full capacity and producing 150 tons of ice.

Upon a motion by Commissioner Roblan (second by Commissioner ViksneHill), the Board of Commissioners motioned to adopt Resolution 2025Res08, modifying and publishing the revised Port of Coos Bay Rate Schedule as presented for Fiscal Year 2025/26. **Motion Passed Unanimously.** (Ayes: Stevens, ViksneHill, Edwards, and Roblan. Nays: None. Absent: Hamner).

E. New Horizons Lease Agreement

Altru Home Care LLC dba New Horizons In-Home Care, and the Oregon International Port of Coos Bay are negotiating a one-year Commercial Lease Agreement, for New Horizons to lease Suite 380 in the Hub Building, to use as a professional office space. The effective date of the agreement will be no later than July 1, 2025.

Suite 380 is approximately 1,140 square feet of office space and includes 204 square feet of common space (hallways, shared restrooms, etc.). The negotiated rate for the one-year agreement is \$1,479.50 per month. The lease includes two options to renew for additional one-year terms. Each year the lease is renewed, the rent will incur a CPI increase.

Upon a motion by Commissioner Edwards (second by Commissioner Roblan), the Board of Commissioners motioned to ratify the execution of a one-year lease agreement with Altru Home Care LLC dba New Horizons In-Home Care, to lease Suite 380 in the Hub Building. **Motion Passed Unanimously.** (Ayes: Stevens, ViksneHill, Edwards, and Roblan. Nays: None. Absent: Hamner).

8. OTHER

9. COMMISSION COMMENTS

Commissioner Roblan emphasized the critical need for fiscal discipline, pointing out that the Port's budget reflects insufficient revenue to ensure long-term sustainability. Commissioner Roblan urged a thorough review of the rail line and all Port activities to identify strategies for financial health, emphasizing that the challenges will intensify in FY 2026/2027 due to reduced federal grant opportunities. Commissioner Roblan stressed the importance of careful resource management and thanked staff for their effort in navigating these constraints.

10. NEXT MEETING DATE – Thursday, July 17, 2025, 11:00 a.m.

11. ADJOURN

President Stevens adjourned the meeting at 12:04 p.m. and entered into Executive Session, as authorized under ORS 192.660(2), to:

- (e) conduct deliberations with persons designated by the governing body to negotiate real property transactions;
- (f) consider information or records that are exempt by law from public inspection;
- (g) consider preliminary negotiations involving matters of trade or commerce in which the governing body is in competition with governing bodies in other states or nations; and
- (n) discuss information about review or approval of programs relating to the security of a number of specified structures, activities and materials relevant to the operation of the state's infrastructure.