

August 26, 2025
6:00 P.M.
Newport, OR

PORT OF NEWPORT COMMISSION MINUTES

This is not an exact transcript. The video of the session is available on the Port's website.

The Port of Newport Commission met on the above date and time at the Administration Building, 600 SE Bay Blvd., and virtually via Microsoft Teams. In attendance were Commissioners Sylvia, Retherford, Lackey, and Ruddiman. Also in attendance were Executive Director Paula Miranda, Deputy Executive Director Aaron Bretz, Finance Director Mark Brown, and Administrative Assistant Gloria Tucker. Members of the audience included Laura Wilkeson, Paul Zellman, and Bob Dziak.

CONSENT CALENDAR

MOTION was made by Lackey, seconded by Ruddiman, to approve the consent calendar as presented. The motion carried unanimously in a voice vote.

OLD BUSINESS

Port Dock 7 PIDP Application and Grant Match Request. Sylvia introduced the agenda item. Miranda presented her report included in the packet. Lackey noted at the most, the Port is out \$2 million for a \$44 million project. He asked if there is a way this could go wrong, or if staff have any concerns. Miranda replied it is a small commitment for a very large amount of money from the state and federal government. She stated even if the Port must take this out of General Funds, the money would be needed in two to four years. She noted it may be 2027 or 2028 for construction. She explained these are reimbursement grants, and she is sure Brown will make sure those reimbursements come through quickly.

Miranda reported prices for materials can go crazy or permitting can take a toll as an example of things going wrong. She stated the Port is leveraging a large amount with little money. She noted if the Port doesn't build this dock, the Port will lose 65-70 vessels and not have enough space. She added the risk is minimal.

Retherford asked how soon the Port would put that money out. Miranda replied normally this grant is awarded in the fall, but there is a delay, so it may be awarded in the spring. She noted staff are looking past 2026 for permits and paperwork, so it may be two or three years.

Dziak noted the cost went up from the original application. He stated he is curious why. Miranda replied it is a combination of factors, including inflation. She explained with 30 percent design the Port has a better estimate of what it is building.

Sylvia asked what the original estimate was. Miranda replied mitigation was removed and that will be a couple million eventually. She stated just for the actual Port Dock 7 project, the estimate went from \$35 million to \$50 million. Sylvia noted that is 20-25 percent higher. He asked if a particular item drove it up. Bretz replied the original number had limited planning done, little detail, and utilities, especially, have been a factor in cost.

Sylvia stated when staff don't know what the costs really will be, they haven't built in all the details, he recommends staff provide a cost range, so no one is surprised. Miranda noted staff only know how much a project is going to cost when it goes out to bid.

Bretz reported the preliminary design is on the website, and he will bring it back for the next Commission meeting with more detail. Ruddiman asked if the Corps would allow dredging to be dumped at sea. Bretz replied he doesn't know for sure, but they probably will be able to do that.

MOTION was made by Retherford, seconded by Lackey, to authorize the Commission President to sign the PIDP Grant Match Commitment Letter as attached. The motion carried unanimously in a voice vote.

Approval of Fiscal Manual. Sylvia introduced the agenda item. Brown reported the Commission had a work session on the fiscal manual. He noted there were some concerns about Commission responsibilities for finances. He stated another area of concern was estimating tariffs and rates. He explained the rate increase would be determined by Producer Price Index for Ports and Harbors plus CPI, divided by 2. He emphasized the formula is typical, and that doesn't mean it always is that way. He indicated staff will have discussions with stakeholders, and if everything else is in line, that formula is what staff will use. He added if not, there will be discussions beforehand so the stakeholders know what is going to happen.

Lackey and Retherford confirmed with staff this formula is a starting point, and staff do not have to use it. Brown noted there may be mitigating factors.

Miranda asked Brown if this manual is in sync with other ports. Brown replied most ports of Newport's size have about a 20-page booklet. Miranda reported the Port is better prepared having this and, hopefully, will have less [crisis] situations.

Lackey stated it is good to be proactive. He noted the section that states the Treasurer shall ensure accounts be open at suitable times or verify accuracy and validity of vouchers reads as if he is coming to the office to look at the books. Retherford suggested changing the wording. Lackey asked what that section actually means. Brown replied it means Lackey will do an audit of the Port's financial records. He noted he does that every week, but this gives the Treasurer the authority to do that. He added this is older language from the statute. Lackey suggested taking these two paragraphs out.

Sylvia asked isn't it really about if there is a process, and the Treasurer endorses that process. Retherford asked if Commissioners should be responsible. Sylvia replied he doesn't want to take responsibility off the Treasurer. He suggested keeping the first sentence, then removing the remainder of the paragraph. Retherford suggested adding the language once a year or once a month.

Brown stated the intent is to ensure the Port is producing an auditable trail. He noted that could be provided upon request. Lackey stated the Bylaws have the Commission responsible for setting [policies] and delegates administration to the Executive Director. He asked does the Bylaws mention fiscal responsibility. Miranda replied the Bylaws do, but it is broad language. Ruddiman noted the ORS 777 has it. Brown suggested the Port Commission shall ensure that the financial records have appropriate documentation to support payment.

Dziak stated he is very impressed, and this is a very thorough document. He asked if all staff have purchase cards, and if training is provided. Miranda replied not everyone has purchase cards. Brown replied the Executive Director has to approve issuing purchase cards. He noted there are very strict limits. He explained the administrator of the program is Mark Harris because he

doesn't have a purchase card. He added there's no specific training, but staff do reconcile them every month. Miranda added staff have different limits based on position. Brown added certain types of purchases cannot be made. Dziak confirmed with staff the fiscal year ends June 30. Sylvia added Brown did an excellent job, and this could be shared with other Ports as a model.

MOTION was made by Ruddiman to adopt the attached Fiscal Manual, July 2025 Edition, with the changes discussed.

Lackey asked if the motion should be amended to include the language. Tucker replied the language does not have to be part of the motion but can be read to be included in the record.

MOTION was made by Ruddiman, seconded by Lackey, to adopt the attached Fiscal Manual, with the change the Port Commission shall ensure all financial records have documentation to support payment, for the July 2025 Edition and strike, "The Treasurer shall ensure that adequate accounts of receipts and expenditures are kept showing the financial condition of the Port and shall cause these accounts to be opened at suitable times for the inspection of the Commission. The Treasurer will verify the accuracy and validity of all vouchers prior to each monthly meeting.". The motion carried unanimously in a voice vote.

NEW BUSINESS

Audit Report Action Plan. Sylvia introduced the agenda item. Brown presented his report included in the packet.

MOTION was made by Lackey, seconded by Ruddiman, to adopt the action plan as presented. The motion carried unanimously in a voice vote.

STAFF REPORTS

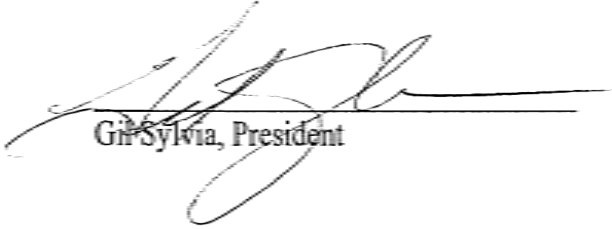
Executive Director's Report. Miranda presented her report included in the packet. Sylvia noted the Army Corps approves the ultimate mitigation, and they also come up with the methodology to determine how much to mitigate, with some other agencies weighing in. Miranda noted most of that requirement doesn't come from the Army Corps, but from the [other regulatory agencies]. Sylvia asked if they accept a third party to come up with the methodology. Miranda replied the Army Corps is willing to work with folks on different approaches, especially if there is no national methodology. Discussion ensued on mitigation issues.

Miranda confirmed with the Commission that she should join the Oregon Sea Grant board. Ruddiman asked if the income statement for fishing and cargo at the Terminal was included in the packet. Brown pointed it out in the financial reports. Sylvia asked for the Port Dock 7 dredging, if there were any real surprises in the comments from state agencies. Bretz replied he was surprised the Department of Fish and Wildlife commented on mitigation impacts to clam habitat, including intertidal and subtidal. He added he is meeting with the Army Corps to talk about that. Discussion continued on mitigation issues.

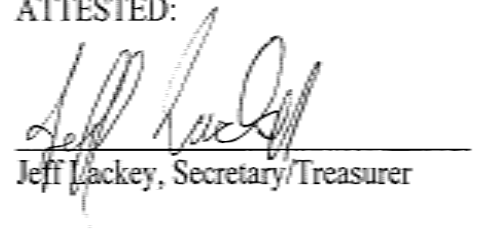
ADJOURNMENT

Having no further business, the meeting adjourned at 7:29 p.m.

ATTESTED:



Gi Sylvia, President



Jeff Lackey, Secretary/Treasurer