

April 22, 2025
5:00 P.M.
Newport, OR

PORT OF NEWPORT COMMISSION WORK SESSION 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, Ruddiman, and Chuck. Also in attendance were Executive Director Paula Miranda, Deputy Executive Director Aaron Bretz, Summit PR representative Angela Nebel, and Administrative Assistant Gloria Tucker. Members of the audience included residents Larry Osborne, Cari Brandburg, and Heather Mann.

GOALS AND OBJECTIVES DISCUSSION

Sylvia introduced the agenda item. Miranda presented the report included in the packet. Lackey stated there is a lot of stuff that needs to be done. He asked for the RV Annex at \$3.26 million, did staff talk about how much extra revenue this could bring. He also asked if the Port were to get a loan, what portion of the loan could be paid by increased revenue. Miranda replied staff have had that conversation. She explained the Port would still need some assistance, some form of grant. She stated the Port would make more money with nicer spots and more spots, but it would lose revenue from closing the old annex. She noted it may take 25 years to pay the loan, and she would rather not start a project with the rate of return in 20 some years. She indicated her goal is always 10 years, or if it is very needed by the community, up to 15 years.

Lackey asked what the interest rate on loans from the state is right now. Miranda replied that over four months ago it was below 3 percent, but she doesn't know the current rate. Retherford noted everything in [the packet] the Port has been working on for a long time. She stated there are no surprises in the capital improvement plan. Miranda noted there are no new projects this year.

Lackey asked how big a problem the South Beach Marina fuel tank replacement is. Bretz replied the tank itself is not leaking. He noted it previously had an issue. Sylvia asked how do you know when it is leaking. Bretz replied there is a system that accounts for all the fuel that goes in and flows through, and if any fuel is missing, you know it is leaking. He added it was repaired about 10 years ago, and the tank is at the end of its life. He noted it is harder to insure every year, and premiums for the insurance continue to go up. He explained it needs to be replaced within the next five years or so, and at some point, it may become uninsurable.

Sylvia clarified with staff the insurance cost is \$20-\$35,000 a year, and that staff was not sure of the insurance rate for a new tank. Miranda noted there are two fuel docks, one in commercial, and one in South Beach. She stated the fuel dock in commercial is not owned by the Port. She explained the fuel dock in South Beach is owned by the Port, and the fuel company leases from the Port. She indicated staff have discussed buying one and owning both or selling one. She added staff decided to keep things the way they are for the time being because staff are negotiating the commercial lease.

Lackey asked if staff are exploring someone else providing the fuel in South Beach. Miranda explained the Port is not the operator, but staff have talked about operating it. She indicated it would be more than the Port can handle without hiring more people. Bretz replied the

trouble in South Beach is the Port is reporting on what the operator is doing to the state. He noted it is easier if the operator reports to the state and owns the equipment because the system is old. He explained if the owner operates all of it and owns all their own equipment, they have a little more vested interest in keeping it up. He added it definitely affects fuel prices when it changes hands.

Miranda stated at the end of the day, DEQ can fine the Port if the system is not working properly. Bretz noted looking back on it, the lease had a lot of requirements to make the operator be compliant [with the state], but the Port has to enforce that. Ruddiman confirmed with staff the current lease is with Carver Oil.

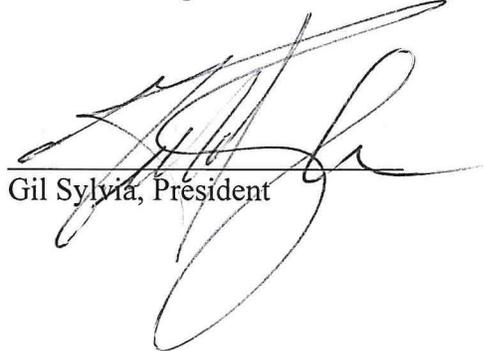
Sylvia noted the criteria [in the capital improvements plan] are different classes of criteria. Miranda explained there would be a large adverse effect on operating revenue or high paying jobs in the district, if the project doesn't get done. Sylvia suggested changing it to positive, for example, if this does get done, there will be a positive effect on jobs. Discussion ensued on the criteria.

Retherford stated looking at capital improvement funds, the Port has ten projects underway, with big numbers. She noted it's going to be hard to complete or tackle all of them quickly. Miranda overviewed all the projects underway, noting portions of the projects which have already been paid for.

Bretz reported one project will need to be added. He explained the Oregon State Marine Board made funds available yesterday for projects that have to be done before July 1. He stated he got the application in, and the Port may get the grant award. Miranda explained she is supposed to ask for grant application approval and will add it to the regular meeting. Retherford asked how much the grant is. Miranda replied \$100,000, with a match of \$25,000. Bretz explained the grant is for the top of the ramp where the rinse down lane starts. He stated the Port wants to widen that a little and put some concrete on the shoulder so that people don't continue to muddy that area. He noted [the grant] would fix the potholes and pay for a four-inch overlay of new asphalt, preparing it for coin-op rinse down. Miranda added that the Commission would also approve the capital improvement list in the regular session.

ADJOURNMENT

Having no further business, the meeting adjourned at 5:48 p.m.



Gil Sylvia, President

ATTESTED:



Walter Chuck, Secretary/Treasurer