

April 27, 2026  
10:05 A.M.  
Newport, OR

## **PORT OF NEWPORT BUDGET COMMITTEE 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 Budget Committee members Sylvia, Ruddiman, Dziak, Osborne, Denlinger, Johnson, and Seavers. Retherford was excused. Capri joined the meeting at 10:40 a.m. 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 Robert Werder. Dziak, Johnson, Heather Mann, and Laura Wilkeson attended online.

### **INTRODUCTIONS**

The Committee members and staff introduced themselves.

### **SELECTION OF BUDGET COMMITTEE CHAIR**

Osborne volunteered to serve as Chair. The Committee reached consensus for him to chair the remainder of the meeting.

### **BUDGET MESSAGE**

Miranda presented the budget message included in the packet. Seavers asked if the projects that Port would like to get to, but are not sure they will be able to, are included in each category, the Facilities Maintenance Fund, or both. Miranda replied the projects are on both. She noted the ones that must get done are in each fund. Seavers asked as the specific projects are awarded grants, is the Port able to move money between funds. Brown replied the Port can only move between funds what is in the budget. He noted in non-departmental there will be a transfer to another fund.

### **REVIEW PROPOSED BUDGET**

Brown presented the budget included in the packet. Seavers asked does the Port check the budget versus actual. Brown replied he provides that report to Commission every month at their regularly scheduled meeting. He noted he also looks at the variance between this year and next year. Sylvia asked is using four different budget methods in a hybrid model typical or fundamentally different. Brown replied it is different than in the past because of the historical event of Rogue Brewery going bankrupt. Capri confirmed with staff the budget decreased this year from \$28 million to \$22.7 million. Sylvia asked why the Port uses the Facility Maintenance Fund for projects it would like to complete. Brown replied he tries to give managers a realistic budget for the next year. He indicated if he parked this under their budget, it would inflate their numbers, and they could spend too much. He noted if the Port received funds in advance to spend, it would be appropriate to have a capital fund, but he anticipates being reimbursed instead. Seavers asked under

Facilities Maintenance Fund, why were two items listed as conditional. Brown replied the project is conditional on receiving funding.

Seavers asked for background on the South Beach fuel tank replacement project. Brown replied it is an underground tank, in place since 1978, the insurance is \$30,000 a year, and it's getting too old to get insurance. Seavers confirmed with staff that Carver operates from the tank. Bretz noted staff are getting a quote from providers. He stated they added room in that number in case there is mitigation. Seavers confirmed with staff the cost includes taking out the old one and installing the new one above ground. He asked what portion of [lease] comes back toward that cost. Miranda replied the Port has to take into consideration liability, and environmental issues can be a huge liability. She noted she doesn't like the Port owning something that requires reporting to DEQ and is operated by a third party. She stated staff have been working on this for quite a bit and because of the age of the tank, the Port is losing money. She added, however, it is a service that is necessary, and staff are trying to work this in a way the Port is not losing money.

Denlinger asked under the Reserve Fund, if the Port set aside \$488,000 as a loss from the Rogue income. Brown replied that it is essentially. He explained because the Port lost Rogue, in order to accomplish projects this year, the Port needs this transfer. Denlinger noted the budget last year has a beginning balance that is quite different. He confirmed with staff that is also a reflection of loss from Rogue. Johnson asked how has the reserve fund cash balance changed over the past two to three years. Brown replied it's typically been around \$1.9 million. He noted, ideally, it would be \$2.5 to \$3 million in cash reserves based on the risk at the Port. He explained once the Rogue facility is used again, the plan is to get back to that point. Miranda noted although staff keep that [goal], at one point the Commission adopted a policy to keep it no lower than \$1.9 million.

Denlinger confirmed with staff the budget does not take into consideration projected loss [for Rogue]. Brown noted this budget cycle staff wrote off a bunch of bad debt. He stated he projects around \$400,000 from bankruptcy proceedings. Denlinger confirmed with staff they have a mechanism for [receiving] revenues, although it may not be a full recovery. Capri asked for the Rogue building, what is the projection for future customers. Brown replied no revenue has been projected for that building this year. He noted he does project revenue for the remainder of the distillery building and the sunset bar. He added, not included this year, the [South Beach] operations center, which is next to the Marina Store, moved to the Cherry Plant, and that building will be available for leasing. Miranda replied three different buildings are there, and the brewery building had a portion that was original and a portion Rogue built. She explained the Port didn't receive rent for the portion Rogue built. She noted even though there is a loss, the Port is getting something back. She indicated the brewery building is a very large building, and the Port can now get an income from the entire building, however, it is an industrial building that does not have access to rail. She added the Port is not going to get a similar industry but will spend a bit of money on a feasibility study to figure out what is the best and highest use for that building. She noted that might take a while, and the Port doesn't want to rush into something. She explained there has been discussion with the community on a [potential] market center, event center, commercial fishing use, and recreational. She stated there is a lot of things to take into consideration. She added it takes time to come up with something desirable to the community. Denlinger agreed the Port does need to a feasibility study. He noted the Port is not budgeting for more revenue. He asked how does the Port [account for] it. Brown replied the state requires the Port doesn't exceed expenditures, but the Port can receive more revenue. He added the Port just can't spend more money.

Seavers confirmed with staff the Port expects \$143,000 in tax revenue. Capri confirmed with staff the debt totals \$670,000 and change, not including bonds. Johnson confirmed with staff north and south are included in the abandoned and derelict vessel removal project. He asked what is the ratio of commercial to private boats. Bretz replied there may be more recreational boats, but they are smaller than the commercial ones. He added it works out to 50-50.

Denlinger noted the Port is cutting one staff position, but the personnel expense has not changed very much. Brown replied there is an inflation factor, and he anticipates a 1 percent increase for merit. Denlinger asked what is the other benefits line item. Brown replied that includes staff gatherings. Seavers asked what does the Admin insurance cover versus the separate categories. Brown replied that includes Port general liability insurance coverage, which covers vehicles, commercial liability, and all port docks. Seavers asked are there common insurance carriers to handle the bundle or is it shopped separately. Brown replied most insurance is through SDIS, and a third party, WHA, shops around for specific items. Denlinger asked what does the Port use professional services for in Admin. Miranda replied WHA fees are there. Brown replied there are six different things included in professional services on page 35 of the packet.

Seavers asked if IT licenses are yearly or one-time. Brown replied they are yearly. Seavers confirmed with staff some of that has gone up due to new software. Miranda noted if staff feel like some folks don't use that software, staff makes sure not to get more than needed. Johnson asked if Tucker is the IT Department. Tucker replied no. Miranda explained Brown interacts with the IT provider.

Sylvia asked what was the cost for [potential] mitigation for shellfish for the Port Dock 7 project. Bretz replied it would have been in the millions. Seavers confirmed with staff the approval for deepening the channel occurred, but money was not set aside for construction. He confirmed with staff it is still at least one more year out. Werder noted he has fished the area with clams before, and it is a pretty large ecosystem of clams and native. Bretz stated ODFW would prefer there be a clam fishery here. He explained they wanted the Port to harvest the clams, sell them, and mitigate for impact. He noted the area is all fill and didn't exist in its current form in the past. He explained the Port's infrastructure created that habitat. He indicated the region doesn't have a dearth of clam habitat.

Capri asked what does the Port think about marketability of the Terminal once it finishes the leveling and fencing of 9 acres. Miranda replied she believes it will help. Capri asked if there are restrictions on how long nets can take up space. Miranda replied it requires coordination with the facility manager.

Denlinger confirmed with staff fines are not collected in revenues for NOAA. Seavers asked for the new NOAA vehicle, was it investigated whether purchasing or leasing was advantageous. Brown replied the Port used a state contract, but didn't research leasing. Denlinger stated leasing vehicles in this region would not be advisable because you will not be able to return it in usable condition. Brown stated staff will do the analysis in the future.

Noting time, Osborne confirmed with the Committee to continue the meeting. Capri confirmed with staff when the NOAA lease comes up for renewal. Miranda overviewed NOAA's lease. Capri clarified with staff the capital improvement fund had been removed previously. Denlinger confirmed with staff reserve funds are invested in LGIP, local government investment pool, on short-term.

## **CONCLUDING COMMENTS**

Osborne stated although the reserve fund is going down, the Port is fortunate to have that right now. He noted it is important as soon as the Port has the opportunity to build it back up again. He indicated it's called a rainy day fund, and he thinks right now, it is raining at the Port. He added he is not that concerned at this time, but he doesn't know what is on the horizon, and the economy is not in the shape he'd like to see for the Port, state or country.

Denlinger stated he appreciates staff's work on the budget. He noted it is an uncertain time to be budgeting with the economy, rising costs of fuel and everything attached to that. He indicated he feels comfortable the Port is in a good position financially.

Sylvia stated staff did a great job putting this budget together. He noted whenever he goes through this process over the last few years, he always gets more concerned each year. He indicated the budgets and problems are getting tougher. He added there are unintended discoveries that have to be done, and they are not inexpensive. He stated the question becomes how to pay for those. He noted these are the most difficult times since he has been here as a Commissioner. He added they are probably going to get a little more difficult before the Port gets through this. Miranda added Brown definitely put a leash on spending. She stated the budget is very conservative this year, and it is good to make sure staff don't stretch too much.

### **PUBLIC COMMENTS**

Werder stated he is a fisherman, and he asked if staff are familiar with the rules with whale entanglement. Miranda replied staff is familiar. Werder stated there should be a way to solve this without more rules. He noted he developed a plan to generate some help with grant money, while cleaning up the ocean. He indicated under the code, derelict gear is a hazard and liability that the Port has the authority to manage and remove. He asked to operate as a permitted, recovery operator within that framework, locating and removing derelict gear, bringing it into a controlled staging area, and processing it into usable material instead of disposal. He stated, on top of that, he can support safety training, awareness and compliance. He indicated there is a way to make money with the classes fishermen are required to take, and [Newport] acting as a hub for the coast. He asked if they had heard 10 percent of gear is lost every year. He stated if 10 percent is lost, that means 4 million feet of line. He noted if that could be brought in and upcycled, turned into Trex decking, it could also be used as infrastructure for the Port. Miranda noted this would not affect this year's budget, but it is a conversation to have outside the meeting.

Mann stated she is Executive Director of Midwater Trawlers Cooperative. She noted she thought it was a really innovative idea from Werder, the kind of thinking that the Port should consider. She reminded the Commission about the importance of the Terminal. She explained many boats are too large to moor in other places. She indicated she continues to support doing something with Port Dock 7. She added she is intrigued with discussion around businesses at the Terminal. She explained there are a couple of times of year that are super important for the fishing industry at the Terminal. She reminded everyone how much those local, large boats bring not only to the Port but to the community at large.

### **PRESENT THE MOTION OR HOLD A FOLLOW-UP MEETING**

MOTION was made by Capri, seconded by Denlinger, to recommend the Port of Newport Commission approve the budget for Fiscal Year 2026-2027 in the amount \$22,717,132, which

includes \$990,770 in unappropriated and reserve amounts. Capri, Sylvia, Ruddiman, Dziak, Osborne, Denlinger, Johnson, and Seavers voted in favor.

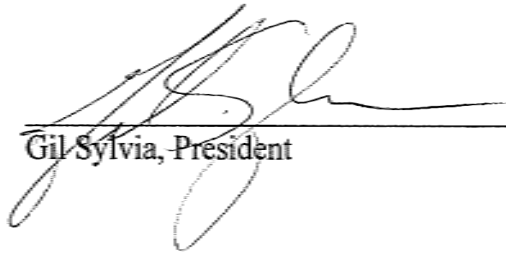
MOTION was made by Capri, seconded by Denlinger, to recommend the Port of Newport Commission approve property taxes for Fiscal Year 2026-2027 at the rate of .0609 per 1000 of Assessed Value for the Permanent Rate Tax Levy, and in the amount of \$910,000 for the General Obligation Bond Levy. Capri, Sylvia, Ruddiman, Dziak, Osborne, Denlinger, Johnson, and Seavers voted in favor.

Seavers confirmed with staff the tax rate is already set.

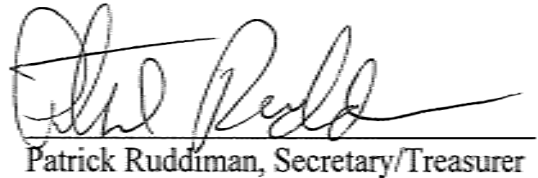
**ADJOURNMENT**

Having no further business, the meeting adjourned at 12:33 p.m.

ATTESTED:



Gil Sylvia, President



Patrick Ruddiman, Secretary/Treasurer