

| | PORT OF KLUCKITAT BOARD OF COMMISSIONERS MEETING MINUTES May 23, 2006 REGULAR SESSION | M = moved S = seconded MP = motion passed |
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| TOPIC | DISCUSSION/ASSESSMENT/FINDINGS | ACTION/FOLLOW UP |
| <u>ATTENDANCE:</u> | Commissioners/Staff Present: Port Commissioners (PCs) Norm Deo, Rodger Ford & Wayne Vinyard; Port Counsel Teunis J. Wyers; Executive Director (Exec.D) Dianne Sherwood; AA/Bookkeeper Margie Ziegler and Minutes Secretary, Peter Frothingham. PC/Staff Absent: Guests Present: Matt Riley (Rapid Readymix), Don McDermott (Dallesport Community Council), Brad Roberts, Lee Ast, Jim Kacena (White Salmon) | Next meeting June 6, 2006 @ 4:30 pm |
| ● EXECUTIVE SESSION - PERSONNEL ● PUBLIC COMMENT ● COUNSEL'S REPORT <u>Parcel #39 Bill of Sale, Rapid Readymix, Underground Specialties, LLC lease</u> ● ADMINISTRATIVE MATTERS <u>State Auditor's Report Consent Agenda</u> <u>Change 7/4 Meeting date MOU Building 1E</u> | <p>PC Deo, Chair, opened the executive meeting at 4:30, scheduled for one-half hour, and at 5 p.m. announced to the waiting audience that the Commission would require an additional 15-20 minutes and that they will continue the Executive Session after the regular session. Those present: PCs Deo, Ford and Vinyard and Counsel Wyers.</p> <p>PC Deo, Chair, opened the public meeting at 5:19. Brad Roberts reported that he is in conversation with INSITU about possible temporary warehouse space, and would be coordinating efforts with the Port.</p> <p>Counsel Wyers reported that there had been a misunderstanding about possible back taxes relating to the bill of sale for the building and fence located on Parcel 39 at DIP. Counsel Wyers has reviewed the bill of sale from Rapid Readymix which was signed by Executive Director Sherwood and James Riley. The personal property's ownership will revert back to the Port and be improvements on the Port's property, which should not result in taxes to the Port. The \$50,000 warrant payment was released to Rapid Readymix. Exec. D Sherwood will execute the Underground Specialties lease which has been prepared and is ready for signature. There were some issues about insurance which have been resolved. Counsel Wyers was excused.</p> <p>George Fox presented the Port's annual report to the PC as required by the State Auditor's Office. The report was compiled in concert with Exec.D Sherwood, and will be submitted by the due date of May 30. The Port of Klickitat is an unclassified Port which allows it to operate on a cash basis. George presented data which outlined income and expenses for the years 2004 and 2005. The Port's net increase in cash and investments was \$196,315. Graphs were presented and discussed which included the Port's data from 1995 through 2005 regarding: Revenue, Expense & Cash Flow; Revenue Sources (operating and property tax revenues); Interest paid & earned; Debt Coverage Ratio; Property Taxes & Debt Service; and a Cash Trend. The Port presently has outstanding debt of about \$2.2 million, which includes state agency debt and general obligation debt. George discussed the graphs noting that the increase in expenses is primarily due to the increase in debt service, and revenue growth has come from operating income, not taxes. The operating income is more than enough to service the debt as the Port's Debt Coverage Ratio is great at 4.24, since 2.5 is a good target. Exec. D Sherwood asked what would happen if the ratio were lower and just enough to service the debt. George Fox replied that the interest rates offered to the Port would be higher. He suggested that the Port's tax revenues should always be higher than total debt service payments, which should prompt a discussion about raising the Port's taxing rate. George Fox gave the Port Commission a heads up about the fact that in 2010, when debt payments kick in and if taxes remain flatline, there may be an issue with attempts to raise additional capital for projects.</p> <p>In the 90s the state auditor had a concern about whether the Port was a going concern, however, the state auditor's office concluded that it was. George Fox stated that the Port is in good shape, and still is a going concern. He state that the Port is well managed, well run and is making money.</p> <p>Changes were noted from the packet Consent Agenda: typographical changes in the minutes, an addition to</p> | <p><i>Exec. D Sherwood will execute the lease with Underground Specialties</i></p> <p><i>PC Vinyard M to approve the consent agenda with the changes noted, PC Deo S MP</i></p> <p><i>There will be only one meeting in July - on July 18th</i> <i>PC Ford M to approve the KC MOU, PC Vinyard S MP</i></p> |

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| | <p>the vouchers included a payment of \$25 to Klickitat County Health Department so that the water permit for Building 1E's building permit can be processed and approved. For review was the 2003 G.O. bond payment (wire transfer for interest payment, due the 1st of June) for \$24,796.25 was presented for approval to ensure the wire transfer is done on time.</p> <p>Due to the holiday, the July 4th PC meeting was moved to July 18th.</p> <p>The County has sent the Port a letter and Memorandum of Understanding (MOU) regarding the \$300,000 grant from Klickitat County for the construction of Building 1E, noting an end date of 12/31/06. The Port is asked to sign the new MOU and return it to the County for signature</p> | <p><i>Exec. D Sherwood will send the signed MOU back to the County and request that the Port be sent an executed copy.</i></p> |
| <p><u>EXECUTIVE DIRECTOR'S REPORT</u> <u>Bingen Point - Bldg 1E, Fireworks</u> <u>Dallesport Industrial Park</u></p> | <p>Margie Ziegler the new administrative assistant and bookkeeper for the Port was introduced to those gathered. The building permit for Building 1E will move forward following confirmation by the Shoreline Review Board that no appeals were filed for the Substantial Shoreline Development Permit (JARPA application) . Building Official Skip Grimes commended DSP Architecture's work, noting that their plans are very good, and the Building Department's review so far has revealed nothing material that needs to be changed.</p> <p>The bid opening is set for 5/25 at 3 pm. There are 7 companies on the plan holder's list that have obtained plans and specifications. Randy Salsbury from DSP architecture and Exec. D Sherwood will be at the bid opening, and PC Deo said that he will try to attend. Discussion followed regarding the deletion alternatives considered for the project, and the PC's desires on how to proceed after the bid opening. George Fox advised that the decision on how to proceed should be made at the Port's next official meeting. By consensus the decision was made to wait until the 6/6 meeting to award the bid.</p> <p>Fireworks: There has been a meeting with the cities of Bingen and White Salmon. Exec. D Sherwood believes that the event will be better organized this year, than last. The fire department has proposed having concessions - they might also have activities for the public.</p> <p>Exec. D Sherwood has been given a very detailed proposal for a scope of work from SubTerra. Exec. D Sherwood recommended that criteria be developed for an RFP relating to aggregate removal at Dallesport. Exec. D Sherwood would like to see Task 3 better defined to develop a proposal and criteria for a RFP, in essence adding another step prior to Task #3 . PC Deo asked about the costs, which were broken out – Task #1 - \$3,600; Task#2 - \$800; Task#3 - \$1,600 for a total of \$6,000. PC Deo would like to see a per centage of the property set aside for local businesses to develop. PC Ford said that the Port must also set aside the aggregate that the Port needs for its operations. PC Vinyard pointed out that there are different types of aggregate. Exec. D Sherwood suggested that the Kennedy Jenks grading plan should be incorporated into the Tasks. By consensus Exec. D Sherwood is to get a personal services contract with SubTerra.</p> <p>Exec. D Sherwood has been working with LL Lindberg, contractor of the preload associated with Building 1E, and received a letter from them yesterday. Exec. D Sherwood will work with Bob Westermann and Counsel Wyers to work out the remaining issues and a response to LL Lindberg. The Port will agree to the settlement plates, however, on other points, Bob Westerman believes that LL Lindberg has not demonstrated that they have entitlement. A response letter to LL Lindberg will be drafted, advising that the account will be closed out pending receipt of a release of liens.</p> | <p><i>Exec. D Sherwood will ensure the Personal Services Contract with SubTerra will include the Port Commissioners' recommended tasks into the accepted scope of work.</i></p> |
| <p><u>MISCELLANEOUS</u></p> | <p>Committee updates: PC Deo stated that there was an airport meeting on 5/19, however, it was a general meeting and there was nothing to report.</p> <p>PC Vinyard reported that he attended a KC EDA meeting , although he did not have his notes so cannot give a detailed report.</p> <p>The replacement Columbia River bridge project was briefly discussed. Exec. D Sherwood believed that there is still a \$300,000 shortfall of money in order to complete the final EIS.</p> | |
| <p><u>PUBLIC COMMENT</u></p> | <p>There was no public comment.</p> | |
| <p><u>ADJOURNMENT</u></p> | <p>The Port Commission adjourned the public meeting to resume their executive session - Personnel @ 5:20 which was expected to last approximately 45 minutes to 1 hour. The public left the premises. Those present: PCs Deo, Ford & Vinyard. At 6:35 p.m. Exec. D Sherwood joined the executive session.</p> | <p><i>The Port Commission ended its executive session at 8:40 pm.</i></p> |

Approved on: _____
(Date)

Respectfully submitted _____
Peter Frothingham, Minutes Secretary

Dianne Sherwood, Executive Director

Norm Deo, Chairman