

TOPIC	DISCUSSION / ASSESSMENT / FINDINGS	ACTION
<b>Attendance</b>	<b>Commissioner/Staff Present:</b> Port Commissioners (PCs) James Herman, William Schmitt, Wayne Vinyard; Executive Director (ED) Marc Thornsby; and Administrative Assistant/Port Auditor (AA/PA) Margie Ziegler. <b>PC/Staff Absent:</b> None. <b>Guests Present:</b> None.	Meeting called to order by PC Vinyard at 4:32 PM.
<b>Administrative Matters</b> Approval of Minutes  Approval of Vouchers  Resolution No. 2-2017 Regular Tax Levy  Resolution No. 3-2017 Adoption of 2018 Budget  Resolution No. 4-2017 Amendment of Comprehensive Scheme of Harbor Improvements and Industrial Developments	Minutes – November 7, 2017  Vouchers – November 14, 2017, #27189-27201, \$2,775.34.  Payroll Vouchers – November 20, 2017, #27188, #D11896-D11901, \$8,611.58.  ED Thornsby noted the rate of growth is greater than one percent so there is no need for a special resolution to increase the 2018 levy amount by one percent.  Thornsby noted the 2018 budget was reviewed at the prior public hearing and no public comments were received or changes made.  Thornsby explained the resolution amends the Port’s Comprehensive Scheme to include the capital improvement projects described and adopted in the Port’s 2018 budget.	PC Schmitt M to approve the minutes, PC Herman S, MP 3-0.  PC Herman M to approve the vouchers, PC Schmitt S, MP 3-0.  PC Schmitt M to approve Resolution No. 2-2017, PC Herman S, MP 3-0.  PC Schmitt M to approve Resolution No. 3-2017, PC Herman S, MP 3-0.  PC Schmitt M to approve Resolution No. 4-2017, PC Herman S, MP 3-0.
<b>Old Business</b> BPBP Lot 22 Lease	PC Herman reported he had lunch with Jenny Taylor, Insitu, who said that because it can take Boeing a long time to act, a one year lease for property is not long enough and reiterated Insitu’s desire to lease Lot 22 for five years. Herman noted he was shown information that is not	PC directed Thornsby to enter into a five-year lease with Insitu for Lot 22 and to pursue the possible acquisition of the Rivermile 172 property in

<p><b>Old Business continued...</b> BPBP Lot 22 Lease continued...</p>	<p>publicly available and, based on his understanding of Insitu’s plans for development to the west, urged the PC to reconsider leasing Lot 22 to Insitu for five years. Herman added that Taylor stated an additional 100 to 150 more people are working at Insitu’s Bingen Point facilities than originally projected, creating a need for additional temporary parking.</p> <p>Herman added that Taylor stated interest in leasing another building if the Port were to construct one at Bingen Point. PC Schmitt expressed concern that leasing any new building to Insitu would leave no space for new companies. PC Vinyard added that doing so would undermine the Port’s attempts to diversify the economic base for itself and the community.</p> <p>Vinyard asked if Lot 21 had been mentioned. Herman said Insitu wants to expand to the west and noted it would use additional property to store product before it is shipped out. He explained Insitu formally stored product at a location in The Dalles they no longer lease. Herman said Insitu has been good for the area and would not want to see the Port reserve property for an unknown future use. Vinyard noted the information was consistent with statements made at an Insitu event he previously attended.</p> <p>Schmitt stated he had no objection to leasing Lot 22 for five years, but cautioned that once it is leased, if the Port were to acquire the Rivermile 172 property, Insitu would likely expect to have all of it as well, adding that he would not find that acceptable. Herman said Taylor stated Insitu would be willing to purchase the Rivermile property and deed it to the Port in exchange for a long-term lease. Schmitt asked if Insitu would want to use the property and Herman replied that if they purchased it, they would expect to use it.</p>	<p>accordance with the plans established in 2016.</p>
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**Old Business continued...**  
BPBP Lot 22 Lease continued...

Schmitt said if the Port were going to own the Rivermile 172 property, it should purchase the property itself and provide a place for commercial vessel moorage. Herman asked why moorage was needed. Schmitt stated that one of the responsibilities of the Port is to provide public access to the water and encourage tourism in support of local businesses. Herman noted the Port currently has Sailboard Park and Marina Park.

Vinyard reminded the PC that the only area in question was the east end adjacent to Sailboard Park and noted that it was his understanding that a substantial setback applied if the shoreline was privately owned. Herman stated it was his understanding the setback was 200 feet. Vinyard said that if the Port owned the property and provided public access, the setback would be reduced to 50 feet. Schmitt concurred, adding that if Lot 22 is leased and all of the Rivermile 172 property is developed, the opportunity for any other water-dependent use will be lost for decades.

Herman questioned whether it would be better to have Insitu develop the waterfront or have tourism that only provides minimum wage jobs. Schmitt expressed concern that the Rivermile 172 property might prove expensive to clean up and end up not being developed at all, noting Lot 23 has already been leased from the Port but remains an empty field of weeds. Herman said he did not believe Insitu would purchase the Rivermile 172 property unless they could put it to use and that would be unlikely with a 200 foot shoreline setback.

Vinyard stated there may be an opportunity to work with Insitu to provide benefit to the community as well as Insitu. He added that if Insitu were willing to partner with the Port, it might be possible for both sides to gain substantial benefit. Herman asked why there wasn't more support for Insitu's development of the Rivermile 172 property. Schmitt stated he is glad to see Insitu's new building and hopes they will build a couple more, but if the Port is going to end up with the Rivermile 172

**Old Business continued...**  
BPBP Lot 22 Lease continued...

property and the obligations that will come with it, the Port should be able to determine what happens with it.

Herman noted that Insitu won't be able to construct any more buildings without additional land. Schmitt reiterated that he has no objection to leasing Lot 22, provided there is another way for the Port to fulfill its obligation to provide public access and its desire to support tourism. Vinyard noted that from the beginning, the Port has recognized Insitu would likely need additional property such as Lot 22 and the Rivermile 172 property, adding he would like to see a solution that meets most of Insitu's needs as well as the Port's interests. Vinyard said he would prefer that Insitu discuss the matter with ED Thornsbury so that a proposal could be drafted without concerns over revealing private information in a public meeting.

Herman stated that Insitu is considering additional development, but not on the promontory. He added that Taylor stated commercial vessel moorage would be a security threat to Insitu because it would bring unknown people to Bingen Point that might take photos of sensitive material or commit sabotage. Schmitt noted Bingen Point is currently open to the public and people using the parks are just as much a threat. Vinyard reiterated that he is uncomfortable with information coming to the PC without staff having had the opportunity to review it and provide additional information such as the applicable statutory requirements. Vinyard stated that in the future Taylor should discuss the matter with Thornsbury.

Vinyard asked if the PC could come to resolution on Lot 22. Thornsbury reminded the PC that because there are no plans for immediate development, it has time to consider various alternatives and work through the issues involved before making a final decision with respect to Lot 22. He added that development of the waterfront is a fundamental

**Old Business continued...**  
BPBP Lot 22 Lease continued...

issue and should be addressed in its entirety rather than piecemeal. Schmitt reminded the PC that the Rivermile 172 property was an issue when he was a commissioner in the early 1990s and stated he would like to see it resolved once and for all. Schmitt expressed hope an agreement could be reached with Insitu for future development of the waterfront and reiterated support for the plan the PC developed in early 2016.

Schmitt acknowledged Insitu's security concerns. Thornsbury stated the only way to resolve those concerns is for Insitu to fence the block of lots Insitu leases west of Spruce St. or for the Port to put a gate at the entrance of the business park and check everyone that comes in. Thornsbury noted that as long as there are parks and roads open to the public, unknown people will be on Bingen Point, adding that it is immaterial whether they come on foot, by bicycle, by car, or by boat. Vinyard reminded the PC that long term plans call for a restaurant and professional building at the point and these would also bring in more members of the public. Herman said that if there was commercial vessel moorage and a tour boat docked, people might disembark and walk around, creating a security problem for Insitu.

Herman said he would prefer to discuss Insitu's plans openly and acknowledged confusion as to when, why, or upon what basis Insitu chooses to speak about certain matters publicly. He added that he would like to proceed with a lease for Lot 22 and look into what might happen with the Rivermile 172 property. Schmitt asked if there was a down side to leasing Lot 22.

Thornsbury explained that the fundamental issue for the PC is waterfront access and use because once Lot 22 is leased, if part of the Rivermile 172 property cannot be used for that purpose, the ability to take advantage of an opportunity for a water-dependent use will be lost for a very long time. Thornsbury said the PC needs to consider what it wants to see in

**Old Business continued...**  
BPBP Lot 22 Lease continued...

the next 80 years and its obligations to its constituents. He added that as decisions are made, the number of available alternatives grows smaller.

Herman asked if commercial vessels can enter Bingen Harbor. Thornsbery explained they can enter the harbor, but the turning radius is sufficiently large that it would eliminate most of the boat slips in the planned marina. He referred the PC to the 2016 report describing the vessels (including size) currently operating on the river. Vinyard noted that many of the vessels are long enough it would be difficult to maneuver them in the harbor.

Thornsbery questioned whether the PCs were all discussing the same issue, noting that the question at hand was not whether the Port should lease to Insitu, but whether modest provision should be made for anything other than industrial development. Thornsbery reminded the PC of its discussion in 2016 regarding the Rivermile 172 property and the concept it subsequently developed. He noted the PC had agreed, in principle, to acquire the Rivermile 172 property, address any environmental issues, fill it to grade, add the area east of Spruce St. to sailboard park including a restroom facility, public plaza, and waterfront access, increase parking for Building 1D, address safety issues on Columbia River Way, and lease everything from Spruce Street west to Maple Street to Insitu for development.

Herman stated he believed this would address most of Insitu's needs. Thornsbery noted that Insitu could fence the entire block from Spruce to Maple to address its security concerns. AA/PA Ziegler asked if a path could be allowed in the 50 foot shoreline setback. Thornsbery said it would and added the 50 feet would not be part of the property leased. Herman noted fencing the consolidated property would resolve the security issue and Schmitt stated most people would probably head east to the park.

**Old Business continued...**  
BPBP Lot 22 Lease continued...

Thornsbury expressed concern the discussion appeared to have focused on whether or not to lease waterfront to Insitu when that decision had already been made in 2016 and the matter at hand concerns only whether a small portion will be held for public benefit. He noted the Port has received little opposition to its development of Bingen Point in large part because it has worked to balance public access and industrial development. Thornsbury explained the Port has been able to answer questions about waterfront development with plans and set-asides for public use that show how parks and paths connect in ways consistent with, and on the perimeter of, industrial development.

Herman said he wished he had remembered the PC's 2016 plan. Vinyard said the PC should have familiarized itself with the plan before beginning its discussion. He added the Port should discuss the 2016 plan with Insitu. Thornsbury said he presented the concept and explained the position of the PC to Taylor at a meeting in May 2016 and she had said they would think about it, but he has never received a response of any kind. Herman said he could talk to Taylor. Schmitt and Vinyard stated this needs to come through Thornsbury.

Thornsbury asked the PC if they still support the 2016 concept for the Rivermile 172 property. Herman stated he agrees with the 2016 plan. Schmitt said he believes the split at Spruce St. is good. Vinyard added he really likes the concept. Thornsbury said the PC should consider purchasing the Rivermile 172 property and secure a lease with Insitu. Discussion followed regarding possible funding. Vinyard asked if the Port has the money to purchase the land, bring in fill, and still be able to build two spec. buildings. Schmitt noted that one of them would probably have to go.

Herman asked if the PC should direct staff to begin negotiations with the Rivermile 172 owners. Thornsbury cautioned that some preliminary

**Old Business continued...**  
BPBP Lot 22 Lease continued...

groundwork would need to be done first including getting a sense as to how serious Boeing is with regard to leasing the Rivermile 172 property. Schmitt asked if the Port is capable of accomplishing the plan. Thornsby replied that he believes the Port would be able to acquire, improve, and lease the property and noted the Port has operated in a fiscally conservative manner so it would be in a position to take advantage of opportunities, such as this one, that may come along.

Thornsby noted he considered the plan a good one in 2016 and still does. Herman said he did as well. Thornsby said the concept gives something to everyone at the table. Insitu doesn't get everything, but they get most of what they want, the Port gets to be responsive to its tenants as well as the public at large, and the community gets a little space to call their own. He added it is difficult to find opportunities where you can give something to everyone, but this is one situation where that appears to be the case.

Schmitt asked what staff needs. Thornsby stated he needs a statement that the 2016 plan is what the PC wants, that the PC is committed to pursuing this plan, and authorization to engage in conversations with any parties necessary to determine feasibility and move the process forward. Herman and Schmitt agreed. Vinyard asked for clarification. Thornsby reviewed the plan explaining that staff would pursue acquisition of the Rivermile 172 property, investigate possible environmental contamination, identify any problems filling and improving the property, review financing alternatives, offer to lease the property west of Spruce St. to Insitu along with Lots 21 and 22, and incorporate the property east of Spruce St. into Sailboard Park and the Port's recreation plan. Thornsby added that this would not involve any commitments until review by the PC.



**Old Business continued...**  
BPBP Lot 22 Lease continued...

Thornsbury noted that one of the greatest immediate benefits of the plan is the addition of parking for the 118 Columbia River Building (aka Building 1D). He explained the original design had employee parking located in back of the building, but because Insitu has leased and fenced this area for materials storage, that was lost and parking in front of the building is inadequate. Under the plan, another row of spaces would be added and the road would be separated from the parking area for safety.

Thornsbury said the Port will need to update its Park and Recreation plan in order to apply for grant funds for the marina parking lot upgrade and this concept would be a good supporting element. He added that while the Port will still keep most of its focus on its core economic development mission, it will be able to talk about public access to the river and waterfronts when shoreline permits are needed. Herman stated he believes staff should pursue the plan. Schmitt concurred.

Vinyard expressed concern the Port might not be able to proceed with improvements to Lot 35 and construction of a building at the Dallesport Industrial Park (DIP) as well as another building at Bingen Point if it takes on the acquisition and improvement of the Rivermile 172 property. Schmitt stated the Port needs to address opportunities as they come up, but reiterated his desire to see the Port construct a building in the DIP.

Herman said the corner of Marina Way and Larch is a difficult turn for trucks and Vinyard noted the same was true for the Insitu bus. Schmitt asked why Larch turns at the north end. Thornsbury explained that roads typically intersect with each other at right angles and the intersection was designed with the idea of increased traffic from the east where an overpass was originally considered. He added that when Marina Way is raised and shift to the south, the small curve will disappear. Thornsbury noted that if this is an issue, the Port will need to change its road standards or the issue may reappear with the next road built.


<p><b>Old Business continued...</b> BPBP Lot 22 Lease continued...</p>	<p>Herman said Taylor asked the Port to implement a non-smoking policy so Insitu could tell their employees they cannot walk onto Port property and smoke. Schmitt stated he does not smoke, but has no interest in prohibiting smoking on all Port grounds. Herman added he does not smoke, but doesn't see a reason to enforce it on others.</p> <p>Thornsbury asked the PC if they want him to respond to Taylor's list. The PC stated no response was needed.</p>	
<p><b>New Business</b></p>	<p>None</p>	
<p><b>Executive Director's Report</b></p>	<p>Thornsbury noted the PC usually only holds one meeting in December.</p>	<p>By consensus, the PC agrees to cancel the meetings on December 5 and 19 and hold only one meeting on December 12.</p>
<p><b>Commissioners Remarks</b></p>	<p>Vinyard said he attended a Klickitat County Public Economic Development Authority (KCPEDA) meeting on November 9. Vinyard said the KCPEDA would like to develop criteria and processes so that projects could be pre-approved to reduce delays. Vinyard talked about the Port projects that are on the KCPEDA list and suggested improvements to DIP Lot 35 be added.</p> <p>Schmitt said MCEDD is working on staffing issues in their office and they are taking over the transportation program that runs on the Oregon side. Schmitt said Klickitat County is making changes to allow accessory dwelling units and higher densities which may help with the area's housing problem.</p>	
<p><b>Public Comment</b></p>	<p>None</p>	
<p><b>Executive Session</b> Performance Evaluation- Executive Director</p>	<p>PC Vinyard called for a five minute break at 7:13pm. Vinyard called an Executive Session at 7:18pm to conduct a performance evaluation of the Executive Director pursuant to RCW 42.30.110(1)(g) for a period of one hour.</p>	

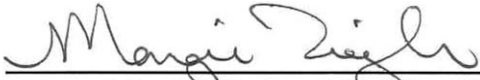
<p><b>Executive Session continued...</b> Performance Evaluation- Executive Director continued...</p>	<p>At 8:18pm, Vinyard extended the executive session for 25 minutes. Vinyard adjourned the executive session at 8:43pm. No action was taken in the executive session.</p>	
<p>Executive Director Salary</p>	<p>PC Vinyard reopened the PC Meeting at 8:43pm. Vinyard stated the PC is pleased with the performance of the executive director. ED Thornsbery noted that although salary would typically be addressed at this time, the matter of wages and salaries for Port staff remains open after discussion at the previous budget workshop and suggested an across-the-board 2.2% increase based on the rate of inflation. Vinyard stated his desire to discuss the matter. PC Schmitt expressed his belief the Port's staff are underpaid.</p> <p>PC Herman suggested Vinyard start by addressing the salary for the executive director. Vinyard stated he believed the salary for the position should be increased by 10%. Thornsbery cautioned that the adopted budget did not make provision for an increase of that size and suggested the salary be raised over two years. Herman stated the PC could amend the budget to resolve the matter and added that the PC encourages ED Thornsbery to review staff compensation and look at a larger increase to avoid the loss of key people. Thornsbery explained the 2.2% cost of living adjustment (COLA) was intended only as a placeholder until the PC could come to a resolution on the larger matter of wages and benefits, not as a final decision.</p> <p>Schmitt noted the PC had previously reviewed the wage and salary analysis provided by staff and expressed his belief the 10% figure was appropriate. Vinyard noted that, with the exception of the administrative assistant/port auditor, most Port positions were 5% to 8% below average. Schmitt added that combined with a 2.5% COLA, this would represent a substantial increase. Herman reiterated the PC would approve a budget adjustment to address the increase in the executive director salary and any wage increases for staff. He stated it would be unfair for staff to be</p>	<p>By consensus, the PC approved a 10% increase for the position of executive director for 2018.</p>


<p>Executive Director Salary continued...</p>	<p>underpaid and an increase beyond a COLA would prevent the loss of staff.</p> <p>Thornsbury asked the PC if the wage and salary data previously provided by staff was acceptable, noting the PC had previously been uncomfortable with this information. Herman replied that he had since done some research and was no longer uncomfortable. Thornsbury noted that although it is his responsibility to manage staff, including wages and salaries, it is the PC that sets the budget and he is obligated to work within it. Thornsbury asked if the PC would support increases based on the wage and salary analysis. Herman and Schmitt stated their belief the averages reported were probably a little low. Vinyard stated the Port has historically been concerned with being outside the norm for the local community, but that after doing some research, it appears Port wages and salaries are below the norm.</p> <p>Herman noted a 10% increase for the executive director position would not even bring it up to the average for similar ports. Schmitt said the Port is competing with companies and agencies in the Columbia River Gorge for most staff positions and with ports across the state for the executive director. Thornsbury stated that based on the statements of the PC, he would base wage and salary adjustments for other staff positions in 2018 on the results of the wage and salary analysis. Herman stated he wants the Port to be fair to the people that work for it.</p> <p>Thornsbury noted the ten-year executive retention program concludes December 10, 2017, and the PC had previously asked if he had a preference for how the vested balance was paid. Thornsbury requested that one half be paid in 2017 and the remaining half be paid in 2018. Herman and Vinyard stated they felt this would be acceptable. Herman suggested the PC should discuss renewing the executive retention program. Thornsbury noted that if the salary for the position is adequate,</p>	
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Executive Director Salary continued...	<p>the program is likely unnecessary, but added that reviewing the employment contract would be appropriate.</p> <p>Herman suggested that if the program is not renewed, the 10% increase for the executive director position should be calculated on the current salary and the annual allocation for the executive retention program. Thornsbury said he would accept the decision of PC, but suggested it consider removing the executive retention program from any new employment agreement.</p>	
<b>Adjournment</b>	PC Vinyard adjourned the PC Meeting at 9:01 PM.	

Approved on December 12, 2017  
(Date)

  
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 Marc Thornsbury, Executive Director

  
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 Margie Ziegler, Administrative Assistant

  
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 Wayne Vinyard, President