

Port of Skamania County
Minutes of the Board of Commissioners
October 25, 2016
Regular Meeting 3:00 pm

Call to Order: Commissioner Collins called the meeting to order at 3:00pm

Attendance: Commissioners Gail Collins and Todd Kingston, Commissioner Kevin Waters joined by phone, Attorney Ken Woodrich, Director Pat Albaugh, Finance Manager Fran Breeding, Auditor Monica Masco, Minutes Taker Somer Meade. Guests: Philip Watness (*The Pioneer*), John McSherry, Sandy Backus, Julie Mayfield, Davis Turpin, Thelma and Dave Gorgess

Public Comment: Sandy Backus wanted to know how the Port is making up for the staff work following the recent layoff of staff. Sandy was especially surprised at the layoff of an employee who is in a lawsuit with the Port. She asked for an explanation of the layoffs and staffing. Director Albaugh explained that as a new set of eyes, he came in and realized there was a serious shortfall in the budget, not just for staffing but for current projects. Revenues are also down significantly following the loss of the Wind River Business Park and Battelle, and the only place to save money is in the staffing budget. Sandy shared her concerns that this was not discussed in prior commission meetings. Director Albaugh explained that this was a recent realization as he settled into the position. Commissioner Kingston asked Director Albaugh if there were any pending lawsuits against the port, and Director Albaugh confirmed that there are not. John McSherry wanted to follow up on cash holdings. As of September, the holdings were \$820,443.03. \$138,000 are tenant restricted deposits. Operating reserves and long term debt is \$592,500 and the one month reserve line of credit is at \$98,750 leaving a negative \$8,715.87 for projects, leaving a total cash balance of \$820,443.03. John was surprised at the current cash position. John clarified that the cash balance decline is due to capital investments. Director Albaugh acknowledged that has been the case but these capital investments have not brought returns yet. Commissioner Collins expressed his regret that positions had to be cut and his hope that they would be added back in the future.

Meeting and Seminars:

Director Albaugh attended the Infrastructure Assistance Coordinating Council (IACC) Conference in Wenatchee last week. There was a lot of information about grant sources and funding agencies. The primary goal was to get face to face meetings with people who would help with the grants. One project in particular that Director Albaugh was seeking was funding for street lights for North Bonneville. In general, grant monies have continued to dwindle and as a result many programs have converted into low interest loans. The Washington Public Ports meeting was also last week. Director Albaugh made good contacts and learned a lot. 49 ports were represented and collaborated on a project. Director Albaugh also met independently with the directors from the Port of Klickitat and Port of Camas/Washougal to discuss their projects, tour the facilities. Both directors have offered their assistance and support to Director Albaugh and the Port of Skamania. Auditor Masco asked for an update on the EDC and Chamber meetings. Commissioner Collins has not been able to attend any meetings and Commissioner

Kingston commented that there was nothing to report from the county meetings, but Logtoberfest was a great success. MCEDD will hold their regional strategy meeting at the Hedgewald center on Thursday and Director Albaugh will be presenting with Kari from the EDC.

Minutes Approval:

---MOTION--- Commissioner Kingston moved to approve the Minutes of the October 11, 2016 Meeting. Commissioner Waters seconded; the motion carried.

Voucher Approvals:

---MOTION--- Commissioner Kingston moved to approve the pre-issued General Fund Vouchers numbered 17519 through 17526 in the amount of \$26,624.14 dated October 19, 2016. Commissioner Waters seconded; the motion carried.

---MOTION--- Commissioner Kingston moved to approve the General Fund Vouchers numbered 17527 through 17544 in the amount of \$10,969.47 dated October 26, 2016. Commissioner Waters seconded; the motion carried.

Administrative Approvals:

---MOTION--- Commissioner Kingston moved to approve Resolution 15-2016 to authorize the investment of funds as presented. Commissioner Collins stepped down to second; the motion carried.

Staff Reports:

- **Auditors Report- September 2016 Financials:** September 30, 2016 Cash Balance is \$820,443.03. Total revenue for September was \$64,070 and expenditures were \$92,976.41; netting excess expenditures over revenue in the amount of \$28,906.41; year to date excess expenditures over revenue \$302,434.47. Overall year-to-date total revenue is 30.4% of annual budget and expenditures are 36.1%. Other note: Without project revenue (grants and loans) the revenue is 79% of budget at September's month end ~ \$939,628 actual vs. \$1,185,435 budget. Without project expenses the expenses are 92% of budget ~ \$1,138,277 vs. \$1,243,750.
- **Finance Manager's Report:**
 - **Budget Schedule:** Finance Manager Breeding took the Commission through the budget calendar for the remainder of the year. At the next Commission Meeting the property tax levy will need to be discussed. At the November 8th meeting, Fran will present the 1st preliminary budget review to include salaries, personnel, leases, and capital projects. If needed, November 15th should be reserved for a special Port Commission Meeting to complete a second review of the budget so that at the November 22nd Commission Meeting, Finance Manager Breeding will present the final budget for a public hearing and adoption by the Commission. In between Commission meetings, she will be meeting with Director Albaugh to

discuss Capital Projects and Operating Assumptions. A certified copy of the final budget is due to the county per RCW 53.35.045 by Monday, December 5th, 2016.

- **Property Taxes Levied:** Finance Manager Breeding asked the Commission to begin considering the Property Tax Levy options so that a decision can be made at the next meeting regarding whether or not to use the 1% over 2016 Levy or the 1% over 1985 Levy for 2017. By keeping the 1% over 2016 Levy, the Port can expect a revenue increase of \$2,500. If the Commission decides to use the 1% over 1985 Levy, the Port can expect a revenue increase of \$42,000. Finance Manager Breeding included the estimated impacts to the average homeowner: approximately a \$0.31 decrease in the Port portion of their tax bill for the 1% over the 2016 Levy and a \$9.32 increase for the 1% over the 1985 levy. Commissioner Waters expressed the need for caution when looking at raising taxes, both from the perspective of a homeowner and from that of the Port, having only collected the minimum over the last 30 years.
- **Attorneys Report:** There is nothing new to report. Attorney Woodrich continues to work through records requests

Unfinished Business/Manager's Report:

- **Tenant Updates:** Director Albaugh has a meeting scheduled with Silver Star to discuss an expansion of the Evergreen building in North Bonneville. They are anxious to get the project going. The Port will look for CERB funding to help with the expenses related to design and engineering as long as Silver Star is not in a hurry.
- **Wind River Business Park (WRBP) MOU Update:** The County accepted a contract for a property manager related to the WRBP but the scope and details are not clear. Director Albaugh has proposed the Port be the property manager at a rate of 22% of revenues with the understanding that there will be push back over the rate. The county has issued evictions notices for Nov. 30th to housing residents. Some of the residents will request a delay on the eviction until next year. Future use of the houses has not been decided.
- **WRBP Water/Wastewater Project-power to well:** The PUD quote of \$24,679.35 expires on 10/28/16 to put the power in the same trench as the water line. This amount does not include the trenching. Commissioner Collins requested the details and the plan. Director Albaugh shared the breakdown of the expenses – materials are \$20,100, \$4,100 labor and approximately \$500 for staging. USDA and Department of Commerce are funding the waterline project at a set amount. If the final costs exceed their funding then a request for .09 funding will be submitted to cover the difference. The County is aware and this. The Commissioners believe the work needs to be done. The Port has received a 5 page report from the Department of Health with several questions and comments for consideration. Director Albaugh also needs to get a letter from the fire marshal.

---MOTION--- Commissioner Kingston moved to approve the Power Well work order for the amended amount of \$24,679.35 plus tax. Commissioner Waters seconded; the motion carried.

- **Revisions to Separation Agreements (Healthcare/COBRA):** Employee Karl Wilkie requested the Port cover Cobra expenses for the next few months. Fran Breeding reached

out to other agencies and the state auditor and they were not aware of any agencies who had done it before. The IRS has rules that have been established in the event that an organization were to cover healthcare for an extended period of time. The amount to cover the monthly fee would be approximately \$650 a month. Neither Commissioner Kingston nor Waters felt like that was a good precedent to establish and Commissioner Collins agreed, especially considering a sick leave, vacation, and a severance was already paid out. The Commission is very thankful for Karl's service to the Port.

- **Meeting Time Discussion:** Tabled until Commissioner Waters can be in person for the meeting.
- **Development Agreement (Brown House):** At the last meeting Ken had suggested the use of a development agreement for Port property with the brown house and possibly the garage as well. Director Albaugh has begun initial discussions with the city to forge an agreement to begin the process and there are developers that are interested in the property. Parking remains a concern, regardless of whether or not the development becomes a part of the Shoreline Project. Attorney Woodrich shared that negotiating an agreement with the city will help mitigate those concerns and a public hearing has to be a part of the process.
- **Stevenson Shoreline Project Update:** Work continues to make sure the project is ready to move forward in next year's in-water work window. Ben Schumaker from the city coordinated a meeting with the various permitting agencies and consultants to review status. It looks like the boat launch dredging project could possibly be completed this year. Key action items involve a Corp of Engineers permit and getting the hydraulics project approved by Washington State Fish & Wildlife. There is a question as to whether or not the Port can get an exemption from the city for the boat launch work as a new permit may be required but Doug believes it will fall within the maintenance permit and be exempt. Both Port Consultant Brian Bair and Rebecca from the Department of Ecology have reviewed the high water mark as it sometimes doesn't follow the line used by the Corps.

New Business:

- **Lease Approval- Swift River Mercantile:** Lisa Johnson, will be in Suite 90, space A which is in the shared space in the Tichenor Building. \$100/mo + utilities. The lease term will be month to month. She will be working out of a specific office, with a key. The security deposit of one month's rent will be collected.
 - Phloem & Forrest Service are both interested in renting space in the same suite, which will create activity at the office space and hopefully encourage local entrepreneurs to participate. No changes to the space will be necessary.

---MOTION--- Commissioner Kingston moved to ratify the lease with Swift River Mercantile for Tichenor Building Suite 90, space A with the terms as attached and recognizing a \$100 security deposit (1 months' rent at market rate), which is less than RWC 53.08.085 recommended 1 year lease rate. Commissioner Waters seconded; the motion carried.

- **Legal Fees:** The Port has received a letter from Kilmer & Associates who are seeking payment for legal fees. Commissioner Kingston explained that a motion would be needed

to approve payment of those legal fees totaling \$2,070 in accordance with RCW 4.96.041(1) under indemnification. Monica asked that the Port look into whether or not the insurance provider Enduris would cover the fees and independent counsel for Commissioner Kingston. Attorney Woodrich mentioned that Chapter 53 also has a provision on indemnification that is broader in nature, and encouraged the Commission to look at adopting a policy for indemnification in the near future. It is Attorney Woodrich's interpretation that excessive fees can't be claimed. The current fees appear to be related and appropriate, thus making the decision to pass a motion to pay the fees within the authority of the Commission. Commissioner Kingston clarified that Enduris has not taken on the fees because there has not been a lawsuit and Commissioner Kingston does not expect further action. Because the accusations happened as he was performing his duties as Commissioner, and the way the matter was handled was not in line with policy and the way it was brought to the public resulted in additional costs, Commissioner Kingston believes the Port should cover the fees. Commissioner Waters requested that more information be provided before he brings a motion forward. Commissioner Collins would like for the bill to be submitted to Enduris.

- **Health Insurance:** Commissioner Collins would like to suggest that the Port stop paying for the health insurance of Commissioners in light of the budget shortfall. The Port would still offer the coverage, and any Commissioner who chooses the coverage would reimburse the Port for the fees. Commissioner Kingston would like Fran to produce the figures that explains the cost. Monica stated the cost of self coverage for one commissioner is \$714 per month for 2016 for a total of \$8,568 annually. The cost of self coverage for one commissioner will go up to \$780 per month for 2017 with an annual cost of \$9,360. Fran will send detailed cost information out to the Commissioners. Commissioner Waters is in agreement with Commissioner Collins.

Adjournment: The Chairperson adjourned the meeting at 4:21pm.

Next Meeting: The next regularly scheduled meeting of the Board of Port Commissioners is November 8, 2016 at 3:00pm at the Port office conference room: 212 SW Cascade Avenue. Stevenson, Washington.

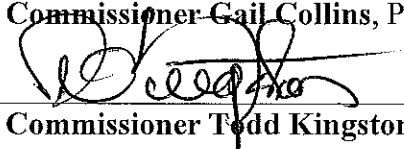
APPROVED BY:



Commissioner Kevin Waters, Secretary (District 1)




Commissioner Gail Collins, President (District 2)



Commissioner Todd Kingston, Vice-President (District 3)

ATTEST:



Somer Meade, Minutes Taker



Port of Skamania County Board of Commissioners Meeting
Sign In Sheet

Name	Mailing Address	Phone	Date
✓ Judy Ietzel	P.O. Box 366 CARSON, Wa 98610	509 - 427-8603	Nov. 8 2016
✓ MARY REPAR	STEVENSON		
✓ Sandy Baucus	" "	427-7866	
✓ ARRY KREY	"	503 779-7152	
✓ David Pinner		427-5856	11/8/2016
✓ DAVE GORGAS		427-7999	11/8/2016