

Agenda for Tuesday, March 05, 2002
Klickitat County Port District
1st Regular Monthly Meeting
March 5, 2002 - 4:30 P.M. - PORT OFFICE

AGENDA

PUBLIC COMMENT - Limited to 10 minutes total; (5 minutes per person)

COUNSEL'S REPORT

CONSULTANT'S REPORT - George Fox

2001 Annual Report
Delegation of Authority

ADMINISTRATIVE MATTERS

Consent Agenda:

1. Minutes - February 19, 2002
2. Vouchers - February 31, 2002 - Payroll
3. Vouchers - March 5, 2002
4. Checks - March 5, 2002 - B. Pt. Project Acct.

EXECUTIVE DIRECTOR'S REPORT

BINGEN POINT:

Gorge Harbor Marina
Gorge Delights
Notice of Public Hearing - 3/19/02, Lot #13 Sale
RFQ - Engineer, B. Pt. Infrastructure
Lakeview Blvd. Improvements
Insitu Group Press Release

DALLESPORT INDUSTRIAL PARK:

MISCELLANEOUS

Committee Updates

PUBLIC COMMENT - Limited to 20 minutes total; (5 minutes per person)

ADJOURNMENT

	<p style="text-align: center;">PORT OF KLICKITAT BOARD OF COMMISSIONERS MEETING MINUTES March 5, 2002 REGULAR SESSION</p>	
<u>TOPIC</u>	DISCUSSION/ASSESSMENT/FINDINGS	ACTION/FOLLOW UP
<u>ATTENDANCE:</u>	<p>Commissioners/Staff Present: Port Commissioners (PCs) Norm Deo, Rodger Ford and S. Wayne Vinyard, Executive Director (Exec.D) Dianne Sherwood, Administrative Assistant (AA) Vickie Drew and Port Counsel (Counsel) Teunis J. Wyers</p> <p>PC/Staff Absent:</p> <p>Guests Present: George Fox (CPA), Mike Smith (Dallesport) and Steve Tessmer (Gorge Harbor Marina).</p>	
<u>PUBLIC COMMENT</u>	Chair Vinyard opened the public meeting at 4:33. There was no public comment.	
<u>COUNSEL'S REPORT</u>	Counsel was not present at this time. Exec.D Sherwood stated that she previously released Counsel to allow him to assist Gorge Delights in the formation of their company. He has subsequently been let go by Gorge Delights and now they are unwilling to release Counsel back to the Port on the Gorge Delights project, stating that he has privileged information. She may have to look for other counsel to negotiate the Gorge Delights agreement.	

<p><u>CONSULTANT'S REPORT</u></p>	<p>• <u>2001 Annual Report</u>: George Fox reported that he has reviewed the annual report and finds it complete and very well done. He congratulated AA Drew on the nice job she did in its preparation. He particularly liked the packet of graphs she made to go along with the report. He discussed the graph illustrating revenues vs. expenses excluding sale of fixed assets. This graph is important because it shows the overall trend of where the Port's revenues and expenses are going. From 1995 through 1998 expenses exceeded revenues on an operational basis, which means that over time, you're spending down your cash. Beginning in 1999, revenues exceeded expenses and over time cash balances would be expected to grow if that trend continues. In 2001, the revenues exceeded expenses by quite a lot. [Editor's Note: This is primarily due to unexpended grant funds.] The numbers are reflecting that the Port is building assets, leasing assets and making money. The way to continue to grow is to build buildings that the Port owns and leases out. The Port should be careful when considering sales of land; it should be for a very good economic development purpose. Money from the sale of any property should be held in a separate account to be held for reinvestment in other capital assets. It should not be restricted only to future land acquisition, but also for buildings. George stated that the PC need to define "good economic development purpose" and when they do, a finding that the sale is "in the public interest for economic development" should be included in the surplus resolution. The cash flow statement was discussed. He noted the dramatic improvement since 1998. He suggested splitting out restricted cash on this report as well. PC Vinyard</p>	
<p><u>CONSULTANT'S REPORT, cont.</u></p>	<p>stated that it was refreshing to hear George's opinion regarding the sale of property in comparison to the pressure that has been felt for the Port to sell land to get businesses started with associated economic impacts and to put the property back on the tax rolls. George stated that the Port is only limited by its size as to how much development can be done, and it is certainly within the Port's capacity to do another project (similar to the 2000-01 Bldg. 1B) on its own. Having a revenue stream to support the debt is key. PC Deo inquired about the Non-operating Income-Misc. Tax item of \$97,562 on Schedule 4. AA Drew explained that Conboy Lake monies, State Forest tax, Timber Excise and Tax-titled Property taxes were included in that amount. These amounts vary every year.</p>	
<p><u>CONSULTANT'S REPORT, cont. Resolution 1-2002</u></p>	<p>• <u>Delegation of Authority</u>: George explained that the resolution is intended to act as a guideline for what the Port staff is supposed to be doing, and gives them the authority to do the tasks necessary to operate the Port as a business. It also gives the Executive Director authority to do surplus property sales which is required by law to be authorized each year. He has prepared this resolution for approximately six other Ports who then modify it to fit their particular situation and then adopt it each January. George went through the document explaining each section. This resolution appoints AA Drew as the Port Auditor. Prior Port resolutions, policies and job descriptions will be reviewed for any conflicts. AA Drew and George have begun work on a financial policies and procedures document which the Port is required to have in place. PC Vinyard thanked George for his presentation and insight.</p>	<p><i>PC Deo moved to adopt Resolution 1-2002 conditioned upon review of prior resolutions, policies and job descriptions for possible conflicts ; seconded by PC Ford – motion carried.</i></p>

<u>COUNSEL'S REPORT</u>	<p>Counsel requested that the minutes of February 19 reflect that he left after the Executive Session - Potential Litigation discussion and thus was not present for the Real Estate (Gorge Delights) discussion. He reported that he has had no response from Ross Rakow's office regarding the letter sent regarding the Pacific Rock Products agreement. He also reviewed the Roy-G-Biv lease extension and finds it in order. Exec.D Sherwood reported that Counsel has agreed to donate his time and equipment on Saturday to load the stumps along Lakeview Blvd. into containers to be hauled to Rabanco. There will be some expense but Allied Waste Industries (Rabanco) indicated they will "cut us a deal". Counsel hoped this work would be considered by the PC as payment for Community Pride's use of Parcel 1 as a collection area again this year. (Yes)</p>	
<u>ADMINISTRATIVE MATTERS</u> <u>! Consent Agenda</u>	<p>Items approved: • Minutes of February 19, 2002 • Vouchers #17267-17279; \$7,319.79 • Vouchers #17280-17289; \$94,480.09 • Checks #161 & 162 - \$90,727.82</p> <p>In addition to Counsel's request to modify the minutes, PC Vinyard stated that the guest list should reflect that Ron Wherry arrived at 6:15. PC Vinyard complimented AA Drew on the annual report and especially for the accompanying graphs and the Cash Flow chart.</p>	<p><i>PC Deo moved to approve the Consent Agenda with the noted additions; seconded by PC Ford -- motion carried.</i></p>
<u>! EXECUTIVE DIRECTOR'S REPORT</u> <u>*BINGEN POINT*</u> <u>! Gorge Harbor Marina</u>	<p>Exec.D Sherwood reported that Carl Dugger is available for a meeting with Steve and Exec.D Sherwood tomorrow at 2:00, and on the 12th or 13th for a meeting which would include WA Fish & Wildlife, NMFS, and the Corp. Steve reported that after doing all the work on a monitoring program, NMFS has decided that they don't want to have a monitoring program. He has had to redraft the documents to take out that information. He asked for PC input regarding a mitigation project. Mitigation will be required and he suggested that Bingen Lake is a perfect mitigation situation. It would be most valuable to do a project to enhance the lake rather than planting willows along the marina banks. Discussion followed. Project areas include the slough area between SDS and the Port and upland tree planting for the planned trails.</p>	
<u>! Gorge Delights</u>	<p>Exec.D Sherwood reported that she met with Gary Willis of Gorge Delights yesterday. They met for about an hour and a half and discussed terms of sale. Exec.D Sherwood has advertised for statements of qualifications for an engineer to get infrastructure to Lot #13. She is exploring options for construction funding with various agencies. PC Deo was concerned, questioning if Gorge Delights had discussed discharge into the city sewer with the City of Bingen. Gorge Delights has yet to discuss this with the City of Bingen, but they have stated that there would be no process discharge; it would only be for cleanup. Their engineer has begun work on the project and had hoped to have drawings available for this evening, but they were not yet available.</p>	

<u>! Notice of Public Hearing - 3/19/02, Lot #13 Sale</u>	Exec.D Sherwood discussed the notice of public hearing regarding the sale of Lot #13 to Gorge Delights. It is scheduled for the next PC meeting on March 19.	
<u>! RFQ - Engineer, B. Pt. Infrastructure</u>	Exec.D Sherwood discussed the request for qualifications for an engineer for the infrastructure to Lot #13. The deadline for submissions is 3 p.m. on March 18. PC Deo suggested that she choose the top three submissions and then he will review them to assist in the selection.	
<u>! Lakeview Blvd. Improvements</u>	As reported earlier, Exec.D Sherwood has been working to get the stumps removed from along Lakeview Blvd. She is also working with Underwood Conservation District (UCD), Andrea Flint (landscape architect) and CIDA to improve the site. PC Deo felt it was important to keep the DNR fire camp area (Parcels 1 & 2) in mind when planning the improvements. The Port may be able to receive 25,000 to 35,000 cubic yards of fill from the Hwy 14 improvement project that could be placed near that area and leveled later. WASHDOT is assisting the Port in obtaining the permits necessary to be a designated fill site for that project. Discussion followed regarding placement of the fill.	<i>Exec.D Sherwood will inquire with KC Planning regarding the permits.</i>
<u>! Insitu Group Press Release</u>	Exec.D Sherwood discussed the meeting she had with Dana Peck, Tom Seifert and Steven Sliwa, the new CEO of Insitu. The purpose of the meeting was to pursue ways to keep Insitu in Klickitat County. Now that they are receiving funding from Boeing, they may relocate to the Seattle area. A copy of the Boeing press release was included in the packet. If a building can be constructed for I.C.E., Insitu would like to move into Bldg. 1B. They anticipate growing to a point of having possibly 100 employees, right now they are talking about having 20 to 30 engineers in the \$80,000-\$90,000 salary range. As an interim measure they would like to have the additional space next to them when North Sports moves into their new building.	
<u>*DALLESPORT INDUSTRIAL PARK*</u> <u>! DIP Engineering</u>	Exec.D Sherwood will be meeting with John Buzzzone. She will have a progress report for the next meeting. Discussions are underway with Williams Pipeline regarding modification of the elevation of the gas line due to the new grading plan proposed for DIP.	
<u>MISCELLANEOUS</u> <u>! Property Issues</u>	Spurred by George Fox's earlier comments, the PCs got into a discussion regarding the sale of property, the importance of doing a property inventory and setting aside proceeds from the sale of property into a separate fund. Chair Vinyard called for a short break. The meeting reconvened at 6:12.	

<p><u>! Committee Updates</u></p>	<p><u>Airport Board</u>: PC Deo reported that negotiations are rocky between KC and the City of The Dalles. They seem to be stuck at the issues of the golf course project and KC's buy-in. The Dalles City Counsel has taken the position that the golf course issue is off the table if KC is going to participate in operation of the airport. KC would like to see that 300 acres put to industrial use to create jobs and feels that the \$12MM sewer system is enough of a buy-in for the airport; The Dalles does not. These issues will all be discussed at another meeting on the 18th. The Dalles has had an approximate \$65,000 budget deficit annually for the airport and KC has been paying half of it. PC Deo stated that the meeting on the 18th will be very important. He is putting an informative letter together summarizing the situation and outlining where he feels this needs to be going in the future. Exec.D Sherwood asked if the City of The Dalles has entered into an agreement for the golf course. PC Deo stated that the committee has been asking for that information for almost three years but has not been given any information. PC Deo feels that the airport is vital to Dallesport and he would hate to see it fail. Exec.D Sherwood stated that the availability of air travel will be a key issue in Insitu's decision to stay in Bingen. Chair recognized Mike Smith. Mike stated that if you look at the history of the airport, The City of The Dalles is not negotiating in good faith. He hears this from people in The Dalles. He referred to a quote from Mayor Van Cleave's letter to KC that was published in The Dalles Chronicle article which implies that since KC has a landfill and they don't, KC should pay the bill and the City of The Dalles should get the benefits. People that lease space at the airport are fed up with the City. He said the City is the problem and that KC should walk away and not give the airport any more money and then the City of The Dalles could not afford to run it. The airport isn't going to go away. PC Deo stated that what really needs to happen is that the City of The Dalles should turn it over to KC.</p> <p><u>MCEDD</u>: PC Ford reported that Mike Ferris was to be the main speaker but didn't show up to discuss USFS grant funding. There was a lot of discussion regarding public knowledge of what MCEDD does and where funds come from and go. For the next meeting, the board will meet at the Sternwheeler and take a tour of Cascade Locks. Afterwards they will hold a dinner meeting from 5-9 p.m. to discuss goal setting, policy procedures and how the public perceives what MCEDD is doing.</p> <p><u>KC PED</u>: PC Vinyard reported that there will be a meeting on the 27th of this month. There is good support for economic development on the board.</p>	
<p><u>PUBLIC COMMENT</u></p>		

<u>! Mike Smith</u>	Mike inquired regarding the Riley proposal that was tabled until this meeting. Exec.D Sherwood reported that she and Matt Riley were not able to meet so the topic was not included for tonight. He also asked if the PC were aware of the Water Resource Inventory Area (WRIA) meetings. He felt it was the most important committee he has ever been on. PC Vinyard also felt it was a very important issue. PC Ford (Water shed committee representative) told Mike that after discussion with Dave McClure , it was determined that he would not attend all the meetings, but would receive the agendas and the minutes of the meetings. The Port's representation is a non-voting position. Further discussion between PC Ford and Dave McClure will follow.	
<u>ADJOURNMENT</u>		<i>PC Ford moved to adjourn at 6:49; seconded by PC Deo - motion carried.</i>

Approved on: _____
submitted _____
(Date)

Respectfully

Vickie L. Drew, Administrative Assistant

Dianne Sherwood, Executive Director

S. Wayne Vinyard, Chairman