

**Port of Skamania County
Minutes of the
Board of Commissioners Meeting
June 28, 2005**

Call to Order: President Teitzel called the meeting to order at 4:03 p.m.

Attendance: In attendance from the Port were Commissioner Judy Teitzel, Commissioner Doug McKenzie, Commissioner Dave Prosser, Port Attorney Ken Woodrich, Facilities & Operations Manager Keith Chamberlain, Business Development Manager John McSherry, Finance Manager Barbara Irving, and Accounting Tech. Tina Tarani.

Public Comment: Commissioner Teitzel opened the meeting to public comment at 4:03 p.m. to 4:30 p.m. In attendance from the public was Port tenant Dennis Crow, owner of Kinetics, Inc.

Dennis Crow came to the Commission to discuss the ongoing lease negotiations between his company, Kinetics, Inc. and the Port, and requested an executive session with the Commission to discuss personnel involved in the negotiations.

Port Attorney Ken Woodrich stated the employee to be discussed had a right to be present; and the employee, Facilities & Operations Manager Keith Chamberlain, was asked if he wanted to be present and did he prefer open or executive session. Keith preferred open session and to be present.

Dennis Crow stated he did not understand why his lease proposals were not being accepted by the Port, and stated Keith Chamberlain had a personal agenda against him. He also stated, it appeared to him that his request to expand his business into the Port conference room suite, was being used as an excuse to rewrite his existing lease.

Commissioner Dave Prosser responded to Dennis, that the new lease Keith was proposing to Kinetics was from the Commission's direction and approval; and that the Port was not using Kinetics expansion into the Port conference room as an excuse to re-negotiate Kinetic's current lease into a less favorable lease, but were trying to make all Port leases consistent and proportionate to Port standards and requirements for all tenants. The new proposed lease Keith presented to Kinetics would bring Kinetics' lease into the desired consistency the Port is striving to accomplish and maintain for all the Port tenants in relation to each other.

Commissioner Doug McKenzie agreed with Commissioner Dave Prosser that the Port has to be consistent in the tenant leases.

Commissioner Dave Prosser apologized for the miscommunication that appeared to be happening between Kinetics and the Port on the lease negotiations.

Port Attorney Ken Woodrich asked Dennis Crow if August 1, 2005 could work for Kinetics (the date the Port would need to be vacated out of the conference room by) if Kinetics does accept the Ports' final lease proposal.

Dennis responded August 1, 2005 would work and Kinetics would accept that date.

The Commission thanked Dennis for attending the meeting and bringing his concerns to the Commissions attention.

Mr. Dennis Crow left the meeting at 4:42 p.m.

Meetings and Seminars: Finance Manager Barbara Irving reported back on the WPPA Finance Seminar she recently attending with the following highlights:

- L&I Issues
- New Grant programs
- Budget Timelines and Costs
- PERS Updates
- New Health Care Programs

Commissioner Judy Teitzel reported on the EDC (Economic Development Council) meeting she attended with the following highlights:

- Lack of EDC Attendees Issues
- Value to Community of Cruise Ships docking at the Port dock.
- Loan Issues

Business Development Manager John McSherry reported on CGEDA (Columbia Gorge Economic Development Association) with following highlights:

- President Peggy Bryan resigned the CDEGA
- It is proposed that CGEDA will now run through MCEDD (Mid-Columbia Economic Development District) rather than through the EDC (Economic Development Council) as it has been.
- Grant Funds

Minute Approval: Commissioner Doug McKenzie made a motion to approve the minutes of the June 14, 2005 regular scheduled meeting as written. Commissioner Dave Prosser seconded the motion. The motion passed.

Vouchers: Commissioner Doug McKenzie made a motion to approve General Fund Vouchers Numbered 16024 through 16038 in the amount of \$4,148.60 dated June 28, 2005. Commissioner Dave Prosser seconded the motion. The motion passed.

Commissioner Doug McKenzie made a motion to approve General Fund Vouchers Numbered 16039 through 16045 in the amount of \$7,739.82 dated June 28, 2005. Commissioner Dave Prosser seconded the motion. The motion passed.

Administrative Approvals: None

Old Business:

- Kinetics, Inc: Commissioners, Port Attorney Ken Woodrich, and Port staff went over Kinetics, Inc. existing lease and new lease negotiations, and came up with the following changes for the final lease proposal:

SECTION THREE: Terms and Conditions, Item 1: The term of the lease shall be for five (5) years, with one (1) year renewable options.

SECTION THREE: Terms and Conditions, Item 2: The base rental rate will be \$975.00 per month.

SECTION THREE: Terms and Conditions, Item 3: The option for the Lessee to make advanced lease payments and receive a 3.5% discount on base rent is to be removed and not included in the final lease proposal.

SECTION THIRTEEN: Default or Breach, Item 3:

This payment default section will remain in the lease. Dennis's proposal to state the Port would notify Lessee in writing of default would not be added to the final lease proposal.

SECTION SEVEN: Terms and Conditions, Item 1: The security deposit required to be paid by the lessee will be two (2) months rent.

SECTION TWENTY-NINE: Termination: The security inspection clause will remain in the final proposed lease, with the 60 days advanced written notice changed to 120 days advanced written noticed required by Lessee.

The clause that Dennis Crow requested to be added to the lease stating if a neighboring tenant moved in next to Lessee, which disturbed Lessee's productivity due to various reasons the lease could be terminated by Lessee, will not be added to the final proposed lease.

Commissioner Dave Prosser made a motion to accept the lease changes made and stated. President Judy Teitzel stepped down and seconded the motion. Commissioner's Judy Teitzel and Dave Prosser voted yes. Commissioner Doug McKenzie voted no, due to changes made does not make the lease consistent with

all other Port leases {stating a one (1) year renewable lease should have premium to rent amount and the security deposit should be three (3) months rent}.

This is the final lease proposal to be made, by the Port, to Kinetics on these current lease negotiations. Commissioner Dave Prosser volunteered to deliver the final lease proposal to Kinetics upon completion.

- North Bonneville 21 Acres Timber Property: Business Development Manager John McSherry put the sale of the North Bonneville 21 Acres Timber Property on Craig's List on the Internet. Advertisements of the sale were mailed out to about 200 developers. The property information was also put on the Port's website.

John just picked up the property sale sign today.

The Commission's deadline on accepting or rejecting any and all offers is July 26, 2005 by 6:00 p.m.

The closing date is 45 days.

Port Attorney Ken Woodrich suggested having one primary offer with a backup offer to that, and a second backup to the backup, extending closing date by 15 days to backup

Port Attorney stated closing of property sale and funds being paid within forty-five (45) days is completing the due diligence.

- Boat Launch Docks: Commissioner Dave Prosser asked when the boat docks are going to be put in.

Business Development Manager John McSherry said he did not have a definite time of installation, but that the floats are made and Ferguson is just putting the pile hoops in.

- The Crab Shack: Kent Vaughters did make a recent payment for current rent with a portion toward arrears rent. No eviction process has commenced.
- Red Barn/Rigging Loft: The current tenants, Windwing Designs Inc., of the Rigging Loft are doing research and development, and activity has been noticed.

New Business: None

Other Business:

- Financial Statements: Finance Manager Barbara Irving stated the Port is in good financial shape to date (net income being 141.5% over last year); and has invested

funds in two (2) new short-term certificates of deposit, which the Port has not had enough funds to do for four (4) years.

Some of the savings occurred from reduction of operating expenditures, a larger than anticipated first deposit of property taxes, and getting our grant reimbursements processed in a timely manner.

- Marketing and Development Manager John McSherry stated the Port needs to receive market rate for what the Port rents out; and the Port should have tenants that are productive.
- Marketing and Development Manager John McSherry stated EDC (Economic Development Council) is planning on increasing its annual dues next year.

Commissioner Doug McKenzie stated he would like to see results of what the EDC has done for the Port of Skamania County for the yearly dues the Port is paying. He was flexible on how it can be presented to him, whether in report form, or a list of accomplishments, etc.

Executive Session: None

Adjournment: The Chairperson adjourned the meeting at 6:27 p.m.

Next Meeting: The next regularly scheduled meeting of the Board of Port Commissioners will immediately follow the Scheduled Public Hearing, Tuesday, July 12, 2005 at 4:00 p.m.

APPROVED BY:

Commissioner Doug McKenzie

Commissioner Judy Teitzel

Commissioner Dave Prosser

ATTEST:

Tina Tarani, Accounting Tech