

Port of Skamania County
Minutes of the Board of Commissioners
January 26, 2016, 3:00 pm

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

Attendance: Commissioners Fran Breeding, Gail Collins, and Todd Kingston; Executive Director John McSherry, Attorney Ken Woodrich, Finance Manager Randy Payne, Facilities Manager Doug Bill, Facilities Specialist Karl Wilkie, Auditor Monica Masco, Facilities Specialist Dave Kuhn, Executive Assistant Julie Mayfield.

Public Comment: None.

John invited Skamania County Assessor Gabe Spencer and Treasurer Vickie Clelland to the meeting to explain how tax revenue is distributed to the County and the junior taxing districts. Gabe explained three types of taxes: Leasehold; Personal Property; and Lease Improvement. These taxes are collected and distributed as follows:

1) Leasehold Tax: the Port of Skamania collects 12.84 % of the base lease rate and remits it to the State on a quarterly basis. The State distributes the Leasehold tax as follows:

State → 52%

DOR → 2%

County → 46% (for Leases in the County only)

The County Treasurer distributes its share of Leasehold tax to various County funds and junior taxing districts bi-monthly as prescribed to each taxing district.

Example: The Port collects \$20,000 in Leasehold tax quarterly. The State will distribute \$4,600 to the County Treasurer bi-monthly. Using Taxing District 140 (Stabler) in this example, the Treasurer will distribute this revenue to: County Current Expense; County Roads; Hospital District; Cemetery District; PUD; Port; Inter-Co Library; State Schools; School Special; and Fire District.

2) Personal Property: The County assesses and collects Personal Property tax on assets owned by businesses. The rate is equal to the County's approved annual levy rate.

Example: Skamania County's 2016 annual levy rate is \$8.88 per \$1,000 assessed value. Personal Property valued at \$1 million will generate \$8,888 in annual Personal Property Tax. The Treasurer will distribute this tax to Taxing District 140, for example, to the same funds and junior taxing districts as it does with the Leasehold Tax.

Monica: Every January, the Assessor sends a list of personal property to businesses in the County to update and review. Businesses add new assets (equipment etc.) and existing assets are depreciated using Washington State's depreciation schedule.

3) Leasehold Improvements: The County assesses and collects Leasehold Improvements tax on improvements made to fixed assets such as buildings. Leasehold Improvements are collected and distributed the same as Personal Property Taxes. Monica noted the Washington

State Department of Revenue website says if an improvement is movable, not permanent to a structure, it is eligible for Leasehold Improvement tax.

John asked where the majority of Leasehold taxes come from; Gabe replied it comes from Port tenants. Commissioner Kingston asked if the County can adjust the way it distributes funds to the Junior Taxing Districts—Gabe and Vickie explained the funds are distributed to the junior taxing districts based on their approved levy rates. There is a ceiling for aggregate junior taxing districts, but they are currently well below this number of \$5.90.

Todd asked if the County can adjust the way it distributes funds to the Junior Taxing Districts; Gabe and Vickie explained the County can't take away from funds the Treasurer has disbursed to the Junior Taxing Districts, however, it can adjust some categories within the County's Current Expense fund. Randy gives codes to Vickie according to the physical area for which the tenant is remitting the tax.

Commissioner Collins asked how the Port may direct funds for the future distribution to specific County Agencies and Junior Taxing Districts. Gabe responded that should be included in any Port-County Interlocal Agreements that do not expire.

It was noted Gabe certified the 2016 levy this week.

Gabe notified the Commission that the Assessor's Office will be offering enhanced GIS mapping and will be asking the jurisdictions for a \$500 contribution if they are interested in using these services.

Meetings and Seminars: Commissioner Kingston, Julie, Monica, and Randy attended the Annual Chamber Dinner at Skamania Lodge.

Minutes Approval:

---MOTION--- Commissioner Kingston moved to approve the December 22, 2015 Special Meeting Minutes [joint meeting with Skamania County, cannabis production lease discussion]. Commissioner Breeding seconded; the motion carried.

---MOTION--- Commissioner Kingston moved to approve the December 22, 2015 Regular Meeting Minutes. Commissioner Breeding seconded; the motion carried.

---MOTION--- Commissioner Kingston moved to approve the December 31, 2015 Special Meeting Minutes [appointing new commissioner]. Commissioner Breeding seconded; the motion carried.

---MOTION--- Commissioner Kingston moved to approve the January 5, 2016 Special Meeting Minutes [cannabis production facility lease discussion]. Commissioner Breeding seconded; the motion carried.

*---MOTION--- Commissioner Kingston moved to approve the **January 12, 2016 Regular Meeting [adjourned to Stabler Community Council] Minutes.** Commissioner Breeding seconded; the motion carried.*

Vouchers Approval:

*---MOTION--- Commissioner Kingston moved to approve the **General Fund Vouchers numbered 16959 through 16990 in the amount of \$53,843.56 dated January 26, 2016.** Commissioner Breeding seconded; the motion carried.*

Administrative Approvals:

John met with Ascot Resources to explain their project and request a letter of support from the Port in light of their permit review. Mineral deposits of copper and other minerals in Washington may be located near Mount Margaret in the Gifford Pinchot National Forest within Skamania and Lewis counties. Ascot is seeking a permit from the US Bureau of Land Management (BLM); the permit would allow exploring with test drilling to better understand the size of the mineral deposit and does not allow for mining. The comment period ends February 4, 2016. John explained there has been no economic analysis performed but they are projecting 2,000 jobs for a project located in Skamania County if approved past the exploratory stage. Commissioner Breeding stated she didn't have enough information to determine if she supported it. Commissioners Kingston and Collins directed John to write a letter of support and sign it.

Staff Reports:

Auditor's Report: presented by Monica Masco

December 31, 2015 Cash Balance was \$1,122,877.50.

Restricted Funds (Tenant Deposits)	\$94,508.90
Six months Operating Expenses + Long Term Debt	\$540,000.00
Operating Line of Credit (one month operating expense)	\$90,000.00
Available for Projects	<u>\$398,368.60</u>
Total Cash:	\$1,122,877.50

Total revenue for December was \$85,861.36 and expenditures were \$106,284.64. This netted an excess of expenditures over revenue in the amount of \$20,423.28; year to date expenditures are over revenue \$121,465.30.

Overall year-to-date total revenue was 49.5% of annual budget and expenditures were 45.2%.

Other note: Without project revenue (grants and loans) the revenue was 100+% of budget at December's month end ~ \$1,028,313 actual vs. \$1,025,286 budget. Without project expenses the expenses were 96% of budget ~ \$1,123,683 vs. \$1,166,526

Monica provided more explanation about PILT (payment in lieu of tax) and timber tax, which the Port doesn't include in the budget since these are always unknowns.

Unfinished Business/Director's Report: Presented by John McSherry

1. *Tenants update:* John reported Backwoods Brewing, in Tichenor Suites 85/105, received delivery of four tanks today and expects delivery of its bottling line on Friday; we continue negotiating the lease for office space. Phloem Studio, in Tichenor Suite 65, is moved in and operating and seeking a qualified employee. They've requested additional space for occasional overflow of finished product for large orders. Battelle will move out of the Teitzel Building in April 2016; we will let tenants know of items Battelle will be surplus.
2. *Wind River Business Park (WRBP):* The Commission asked if there are other ports in Washington that have residential tenants; there was discussion on the residential buildings. It was noted the public often gets Forest Service owned buildings at WRBP confused with County owned, as the ownership boundary is not readily evident. Randy reported he worked recently with a State inspector on one of the residences. Commissioner Collins stated we should hold a workshop to discuss the vision for the property.

John explained he is preparing a contract with Tenneson Engineering to develop plans and specs for the well pumps and distribution line in Trout Creek Field. There is \$200,000 remaining from the State Commerce grant for this project, which must be expended by July 2016. John provided a recent history of the water system issues at WRBP, and reminded that the Port has been working on a plan to acquire the Forest Service's water system for several year now; Julie noted history: Skamania County originally offered to simply convey the site to the Port in 2011, but the Port determined the water system owned by the Forest Service needed to be conveyed as well. Commissioner Collins stated that we need a letter from Skamania County to the Forest Service in support of expediting transferring the water system.

It has been discovered that we must modify the boundaries of parcels in order to accommodate WA State Liquor and Cannabis Board's rules regarding setback distances from cannabis production facilities and recreation areas.

New Business: John discussed splitting the Facilities Specialist job description into two positions, I and II, to better describe the differing duties. Commissioner Collins suggested the "I and II" designations suggest steps, but these are just two different job descriptions. The Commission requested more information about the pay scale of similar positions at similar agencies.

Executive Session: Commissioner Collins called for an Executive Session, including the Commission and Ken Woodrich and John McSherry, from 5:15 pm to 5:25 pm for 10 minutes per RCW 42.30.110(c) To consider the minimum price at which real estate will be offered for sale or lease when public knowledge regarding such consideration would cause a likelihood of decreased price. However, final action selling or leasing public property shall be taken in a meeting open to the public. and again, including the Commission and Ken Woodrich (part time), from 5:25 pm to 5:40 pm for 15 minutes (g) To evaluate the qualifications of an applicant for public employment or to review the performance of a public employee. However, subject to RCW 42.30.140(4), discussion by a governing body of salaries, wages, and other conditions of employment to be generally applied within the agency shall occur in a meeting open to the public, and when a governing body elects to take final action hiring, setting the salary of an individual employee or class of employees, or discharging or disciplining an employee, that action shall be taken in a meeting open to the public.


The Commission discussed a draft Memorandum of Understanding with Skamania County so that current contract and business needs can be conducted and move forward in good faith while negotiating a long-term agreement for the management and ownership of WRBP. The Commission directed John to pursue signatures from the County Commissioners on the agreement as drafted.

The Commission decided they did not have enough information to move forward with a CPI salary increase for John McSherry and requested comparable salary ranges from other Ports with similar budget and facilities size. Commissioner Collins reported he reviewed John's Personal Improvement Plan with him last week. He asked John to sign a previously proposed employment contract; John said he would. There was discussion on John potentially transferring insurance to his wife's plan—he requested to be compensated at a higher rate if he did this.

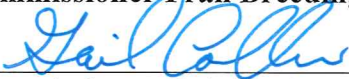
Adjournment: 5:55 pm.

Next Meeting: The next regularly scheduled meeting of the Board of Port Commissioners is February 9, 2016, 3:00 pm, at the Port office conference room: 212 SW Cascade Avenue, Stevenson, Washington.

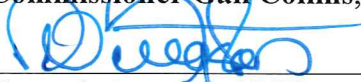
APPROVED BY:



Commissioner Fran Breeding, Secretary (District 1)



Commissioner Gail Collins, President (District 2)



Commissioner Todd Kingston, Vice-President (District 3)

ATTEST:



Julie Mayfield, Executive Assistant