

**Port of Skamania County**  
**Minutes of the Board of Commissioners**  
**November 8, 2016**  
**Regular Meeting 3:00 pm**

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

**Attendance:** Commissioners Gail Collins, Todd Kingston, and Kevin Waters, Attorney Ken Woodrich, Director Pat Albaugh, Finance Manager Fran Breeding, Auditor Monica Masco, Facilities Manager Doug Bill, Minutes Taker Somer Meade. Guests: Philip Watness (*The Pioneer*), Judy Teitzel, Mary Repar, Sandy Bacus, Larry Krug, David Prosser, Dave & Thelma Gorgas

**Public Comment:**

- Judy Teitzel- As a resident and former commissioner, she is concerned over lost positions and compensation for Commissioners. She would like to endorse the plan to have Commissioners pay for their own health insurance as a show of their willingness to help the Port save money, especially considering they do not work full time for the Port. Judy believes positive PR is needed for the Port. She believes it is a shame to put a tax increase on the people that would go towards paying for Commissioner's health insurance instead of purchasing property. Judy would also like to see Commissioner Kingston pay for his own legal fees.
- Mary Repar- Feels the Port needs to make comments to the City regarding the removing of the stop signs at 1<sup>st</sup> and Russell, especially given the challenge for Port trucks to turn at those corners. The City needs more stop signs, not less. Also, Mary feels as though Kevin being appointed to Commissioner is in direct conflict with his role as a tenant and she would like for the position to be opened up to others in the community. Mary expressed concern over the layoffs and how the work will be accounted for. Mary remembers that there was a million dollars in the bank and she wants to know where that money was spent. The community is very concerned and Mary urges the Commissioners to bring the Port back in line with a strategic plan.
- Sandy Bacus- RCW4.96.041 which was cited regarding whether to pay Commissioner Kingston's attorney fees. Sandy has reviewed this policy and believes that steps are being skipped per her understanding of the process. Sandy believes this statute dictates that Commissioner Kingston go to the Legislative body so they can rule on whether or not fees should be covered. Sandy is also concerned about the state of the Port's finances and will be attending future meetings to ensure she can understand how this problem arose.
- Dave Prosser- Agrees with Judy Teitzel. Dave believes Commissioner Kingston should have gone through a more appropriate process, to include mediation through the Port. Dave feels like the public should have access to the pertinent details of the case and by Commissioner Kingston seeking outside counsel, he feels like the public won't get to know what they need to. Dave believes that if Commissioner Kingston had used the proper channels in mediating this claim, it would already be settled and not on the dime of tax payers. Dave urged the Commissioners not to continue to have the Port pay for their health insurance. He believes that the job of Commissioner should be done for the

Dave believes that Commissioner pay should decrease as well. Dave urged Commissioner Kingston to pay for his own lawyer and his own health insurance.

- Dave Gorgas- In speaking for his wife and as long time-residents, he would like to remind everyone that Kevin can simply recuse himself from any tenant related issues. Dave is glad to see him on the Commission. Also, Dave is in favor of the Commissioners having Health Insurance covered and believes no judgment should be made. If the Port is in trouble, he recommends the Port go after administrative overhead to reduce the costs, and he understands that there are tough choices to make.

Commissioner Waters responded to public comments: He reviewed the budget yesterday with Director Pat Albaugh and admits he doesn't know what's happening with the Port's financial struggles. Commissioner Waters' first inclination was to cut all projects to save money. After discussing the budget with Director Albaugh, Kevin explained that he has learned there are projects that must be completed because for some of these the Port has used grant funding and would be required to return these funds if the projects are not completed. This has created financial hardships because the Port has stuck its neck out. Commissioner Waters can't comment on the layoffs because he wasn't involved in them but he sees that the financial situation is not good. Failure to complete the shoreline project and Coyote Ridge would make things worse and would not save money. In addressing public concern that he shouldn't be Commissioner due to conflict of interest, Commissioner Waters admitted that they were right to be concerned, but that he was approached to do the job and he decided to do it because he believes his previous experience will help him help the Port through its struggles. Commissioner Waters states that the goal is to right the ship and use all available resources to work together to fix it. With regards to Commissioner Kingston's request for attorney fees to be paid, he says he won't make a decision until he has more information. When Commissioner Waters took health insurance through the Port it was because he had no other options. As a result, he feels it is appropriate for Commissioner Kingston to receive health insurance from the Port as long as he needs it, especially being self-employed following past cancer diagnoses and treatments. Commissioner Waters is happy to be working with Director Albaugh, just as he enjoyed working with the previous employees.

Commissioner Collins responded to public comments: In addressing the budget situation, the loss of the Wind River Business Park & Battelle were a complete surprise which has really hurt the Port. The expectation was also that the Tichenor building would be at capacity in addition to other properties and several projects like paving Cascade Ave have led to a major deficit. Commissioner Collins didn't want to let people go, but when payroll expenses make up a majority of the budget, there is no other place to make cuts. Commissioner Collins defended the loss of the Wind River Business Park, expressing that it was a complete surprise and he believes that the profits from the marijuana farm motivated the County's to resume managing the property. In regards to doing the job of Commissioner in a volunteer capacity, Commission Collins explained that his work as a Commissioner has been nothing but challenging, and the relationships he has lost in the process have been very difficult for him personally. Given the hardships, this is not a job that Commissioner Collins would volunteer for.

Director Albaugh responded to public comments: Looking to clarify, the employees who were laid off were in perfectly good standing and would be welcomed back. No one was fired.

**Meeting and Seminars:** The Port of The Dalles hosted a meeting last week with the Ports of Hood River, Klickitat, and Cascade Locks in attendance. Director Albaugh and Commissioner Collins were able to attend. The focus of the meeting was building relationships and lines of support with a goal of meeting on a consistent basis.

**Minutes Approval:**

*---MOTION--- Commissioner Kingston moved to approve the Minutes of the October 25, 2016 Meeting as presented. Commissioner Waters seconded; the motion carried.*

**Voucher Approvals:**

*---MOTION--- Commissioner Kingston moved to approve the pre-issued General Fund Vouchers numbered 17545 through 17552 in the amount of \$33,310.55 dated November 9, 2016. Commissioner Waters seconded; the motion carried.*

*---MOTION--- Commissioner Waters moved to approve the General Fund Vouchers numbered 17553 through 17575 in the amount of \$116,934.23 dated October 26, 2016. Commissioner Kingston seconded; the motion carried.*

Finance Manager Fran Breeding let the Commission know that approximately \$54,000 is tenant deposit money that goes to the county and is not general fund but is secured and another \$25,000 goes towards the PUD power to well project, with the expectation that most of it will be reimbursed.

**Administrative Approvals:**

**Resolution 16-2016 – Indemnification:** As discussed last meeting, if an employee, agent, or Commissioner of the Port wants to have outside counsel represent them for any reason, they would bring to the Commission before engaging that outside counsel under RCW 4.96.041. Attorney Woodrich explained that this policy is meant to look forward, and would not apply retroactively to someone who has already incurred fees. This would leave the decision up to the legislative body to determine. This provision as pertinent to all agencies allows the Port commission to create a policy for indemnification which may or may not be the same as the pre-existing policy. Attorney Woodrich explained that the Commission can make the policy broader or more specific and it is most important that the Commission keeps in mind how agents of the Port are protected. The resolution as it's written is just a recitation of the RCW. The Port should look for example from MRSC. It is Attorney Woodrich's recommendation that staff expand the policy beyond what is provided in RCW. He also clarified the difference between defense vs. indemnification: Policy for Defense- no matter what the circumstances are, legal counsel will be provided to defend the individual until the final ruling. Policy for Indemnification- covers beyond the loss of a ruling, unless the individual did something outside of the scope of their job. The Commission decided to table the discussion on this resolution until it is further developed.

**2017 Draft Budget Review:** Finance Manager Fran Breeding provided a description of the layout of the budget summary handout. On the operating side, lease revenues are 79% of operating revenues. Property revenues in total are down 9% for 2016 due to loss of the Wind River Business Park (WRBP) management. Marine terminal revenues are 4% of the operating revenues, with a projected 75 dockings compared to 65 estimated for 2016. Docking Fees are \$150. Finance Manager Breeding asked the Commission if they would like to revisit the docking fee of \$150. Commissioner Waters believes it's best to keep the fees as is because of a history of trouble collecting docking fees. Director Albaugh cautioned raising the fee could negatively impact the number of dockings which are important to the local economy. The Commission unanimously agreed the fee should stay the same for 2017. The "Operating Expenses" consists of the admin staff, as well as the maintenance staff and a temporary groundskeeper at 40 hours a week 3 months out of the year. Another area to be determined is an increase in wages. Finance Manager Breeding proposed three possibilities: Keep all wages and salaries the same, increase them 1.3% (CPI estimate) to cover cost of living increase, or add 1% to cost of living for a total of 2.3% which would cost ~\$7,300. Commissioner Waters expressed his preference to not have any raises for admin/maintenance. Commissioner Collins agrees. If the financial situation improves, salary increases may be reconsidered at a later time. The budget includes medical coverage for Commissioner Kingston and Commissioner Waters but not for Commissioner Collins. Commissioner Waters stated he will not take health insurance through the Port. Life and dental insurance are budgeted for all 3 Commissioners (cannot waive this coverage). The "Property Expenses" category is mostly dominated by maintenance. There has been a precipitous drop because of the loss of the WRBP. Facilities Manager Doug Bill is comfortable with the budget for preventive maintenance, especially considering how difficult it is to predict what is going to break. Outside services in the "General & Administration Expenses" category include the biennial state audit that is planned for 2017. Port Auditor expenses are estimated conservatively as Finance Manager Breeding is still needing help from the Port Auditor as she transitions into this role. "Legal Expenses" have gone up due to the increase in public records requests. It is expected that the legal expenses will continue to be higher in the first quarter of 2017. The long term goal is to appoint a staff member to replace Attorney Woodrich as the Port's public records officer, but that will require significant training. It's difficult to know what legal expenses will come up, or what external sources might be needed. The "Other General & Administration Expenses" are office supplies, marketing, the copier, publications, economic development, travel, professional development, memberships & dues. Some of the publications and memberships have been dropped to save money. The last budget category is "Equipment Purchases" to include computer upgrades and a contingency for network issues.

Total Operating Revenue projected for 2017 is \$830,990.

Total Operating Expense projected for 2017 is \$1,165,432.

Projected Operating Income Loss in 2017 of \$65,543

Finance Manager Breeding explained that certain policy decisions will impact the final budget: The decision about the Tax Levy Option (1% over 2016 or 1% over 1985 amount) which would go towards current projects. The impact to the average homemaker would decrease for the 1% over 2016 rate, and would increase \$9.32 per \$200,000 of assessed value for the 1% over 1985

rate. This rate that would be Levied would be \$0.35/\$1,000 of assessed value. , Ports are authorized by state statute to collect up to \$.045/\$1,000s without voter approval. Non-operating expenses include debt service. Commissioner Waters is not in favor of an increase in the tax levy. He believes the Port has put itself in the position it's in and it shouldn't be on the people. Commissioner Collins agreed, and would like to find something else in the budget to cut if needed. Commissioner Kingston also agreed, with the caveat that if something drastic changes in the revenues prior to Nov. 30<sup>th</sup>, this be reconsidered. Commissioner Waters does not intend to support any future projects until the budget is better. Director Albaugh may still bring future projects but they will involve new buildings and new tenants.

#### CURRENT PROJECTS:

- *Stevenson Waterfront Enhancement*: The Port investment is \$250,000, leveraging \$450,000 at this point. The project won't happen for a year, and the Port will seek additional monies to close the \$250,000 funding gap. The Stevenson Waterfront signage & Stevenson Landing are covered from Tourism funding.
- *WRBP Water-Sewer Infrastructure*: This project has a shortfall projected of \$44,500. The Port will be asking the county for .09 dollars to cover it. There was not a pre-existing agreement for the .09 dollars, so it has to remain on the Port budget.
- *Cascade Business Park*: This project is time sensitive. Easement, paving, sidewalks, storm drains, and street lights are needed.
- *Beacon Rock Golf Course*: The property needs a new irrigation system but this can be put on hold for a while. There are more pressing needs in repairing the deck and garage doors.

Commissioner Collins inquired about what projects can be pushed to 2018. Director Albaugh encouraged the Commission to leave all projects on the budget, recognizing that nothing will be funded or approved without their approval. Commissioner Waters agreed that it's better to keep them in than drop them and need to add them in later.

Director Albaugh believes that the 2017 budget is conservative. The operating deficit projected for 2017 is better than the actuals of the previous 4 years. The Commission believes the Port is heading in the right direction

Finance Manager Breeding summarized:

Insurance- Health insurance covered only for Commissioner Kingston, with life and dental for 3  
Marine Terminal Docking Fees- will stay at \$150 for next year  
Property Tax Levy- the 0% over 2016  
Capital Projects- keep as is  
Legal Fees- agreeable to all

Commissioner Waters will help as much as possible. Finance Manager Fran Breeding feels comfortable with the direction from the Port Commissioners, and so the Commission is in agreement that no special meeting will be necessary on November 15<sup>th</sup>, 2016.

#### Staff Reports:

- **Facilities Report:** Facilities Manager Doug Bill had to drain a line in Teo Park. There was a broken valve in to the water heater at Skunk Brothers. The warranted pump at the Tichenor building has been replaced. The starter went out in red truck and has been replaced. The Husqvarna mower was surplused for \$531. The Eastpoint way finding sign is in and Facilities Manager Bill is working out a plan for installation. The street light project is in process and he should have the exact cost nailed down soon, as he investigates whether or not the Port can save money by doing some of the work in house. The public bathrooms are locked for the fall & winter, but something will need to be figured out for the needle problem by Spring. Commissioner Collins suggested the Port research what other agencies are doing. Some other suggestions for consideration are increased lighting, auto-locking bathrooms, and installing security cameras. Wave has a small server room that they are looking to have Facilities Manager Bill reconfigure. Wave also wants to do some future work to cool their server room.
- **Attorney's Report:** No specific update, but Attorney Woodrich wanted to clarify that there is a paradox- a port tenant can become a commissioner, but a commissioner cannot become a tenant. Kevin qualified to be a Port Commissioner because there is already a lease in place. No renegotiations of the lease can happen during the time he serves on the Commission.

#### **Unfinished Business/Manager's Report:**

- **Tenant Updates:** Phloem is going to rent an office in Suite 70 on a month-to-month basis for storage. Silver star is still weighing different options for expansion. A potential client who would like to do a presentation at the next Commissioners Meeting and an Executive discussion and decision will be needed.
- **Wind River Business Park (WRBP) MOU Update:** Discussions between the Port and the County continue. The county has hired Rushing Waters Consulting Firm to help work with the Forest Service on additional property conveyance. The County would still like the Port to manage the leases and be the property manager. Attorney Woodrich has been in contact with Adam Kick from the County. As legal advisor, Attorney Woodrich will not support the Port district being a manager in name only to allow the County to take advantage of the Port's statutory discretion. If an MOU comes to Attorney Woodrich will want to ensure that the Port is in control in more than just name only. Real ownership or real control is what is needed in the MOU. Adam at the county has been in discussion with Attorney Woodrich and is said to understand this issue. Commissioner Kingston will only consider a written offer. Director Albaugh says it has to meet the legal requirements and bring in revenue and that the Port and the County are stronger working together.
- **Meeting Time Discussion:** Commissioner Waters would like to have a Monday 10am meeting. The public has expressed a desire to have meetings in the evening, but it creates additional expense for employee costs. Director Albaugh asked if the Commission would consider meetings once a month, which Commissioner Collins & Commissioner Waters agreed with. It was decided that starting in January, The Commission will hold a meeting once a month, every 3<sup>rd</sup> Tuesday at 6:00pm. Fewer meetings will potentially save money. Attorney Woodrich will need a new retainer agreement to account for the change.

- **Legal Fees:** Commissioner Kingston would like to straighten out the misinformation regarding the issue prior to a vote by the Commission on approving pay for his legal fees. He apologized for not being prepared to address the issue at the last meeting. In his statement, Commissioner Kingston explained that he had accrued legal fees as a result of records requests in his role as a public official. To date, there has not been a lawsuit filed against Commissioner Kingston or the Port based on Commissioner Kingston's words, behaviors, or actions. A verbal complaint was announced by the Executive Director to the public in the open meeting on April 12, 2016. It was announced as a statement of fact despite no prior investigation and this was the first time Commissioner Kingston was hearing of any alleged misconduct. Eight days later, an investigation was conducted by an outside agency. Commissioner Kingston believes he was exonerated. The results of the investigation are a matter of public record and are available to anyone through the public records request process. As recorded in the April 12<sup>th</sup>, 2016 meeting, Attorney Woodrich was not certain he could represent Commissioner Kingston against the charges. Enduris will only indemnify if legal charges had been filed, but nothing has been. Commissioner Kingston did not believe he had done anything wrong, and with no charges filed, he initially did not feel he needed outside representation. The first bill came July 21<sup>st</sup>, 2016, three months after the initial claim was made public. Commissioner Kingston voluntarily made documents on his home computer available. Port Attorney Woodrich made it clear he could not represent Commissioner Kingston's interests as he had already made clear he was overwhelmed with the volume of records requests at that time. Attorney Woodrich was approved for help from a consulting attorney, and for assistance from RadComp. Commissioner Kingston is asking for The Port to pay for the 7 hours of legal fees which cover the time spent between outside counsel and Attorney Woodrich getting caught up on the case and the time it took to review the documents for the public records requests. Additionally, Attorney Woodrich stated that he could not review the documents for Commissioner Kingston as it would have amounted to giving personal, individual legal advice and so he had to recommend outside legal representation. Commissioner Kingston is asking for equal treatment. Attorney Woodrich explained that at the time he made the recommendation that Commissioner Kingston get indemnified by going back to the Commission to get approval before hiring outside counsel. Commissioner Kingston chose not to bring it forward because only Commissioner Collins would be made responsible for the decision and Commissioner Kingston did not want to put him in that position. Commissioner Waters asked that Attorney Woodrich give a recommendation. Attorney Woodrich recommended that the Port provide a policy for indemnification and defense that could be addressed next meeting to include whether or not any retroactive reimbursement or repayment when its justified. Attorney Woodrich explained that until a policy is created and adopted, it is premature to make a decision. Attorney Woodrich and Executive Director Albaugh will work on a policy for next meeting. Auditor Masco clarified that Fran Breeding was a Commissioner through September and only missed one meeting in September.

#### **New Business:**

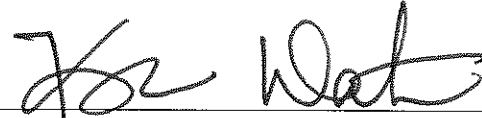
- **Open House:** It was decided that the Port's annual holiday open house will take place on December 13<sup>th</sup>, 2016 following the Commission meeting.

- **Bob's Beach Parking- surveyor:** There is some confusion over the property lines between the Port property and the Columbia Gorge Riverside Lodge property. The owner of the Lodge (Angus Ruck) is looking to expand and define his parking. Angus is in agreement to split the cost of the Surveyor with the Port. The Port will facilitate meetings between the Riverside Lodge and users of Bob's Beach this winter to avoid parking issues next spring and summer. .
- **Port Website:** Director Albaugh has solicited bids for construction of and training with a new website. The lowest bid is ~\$3850. Commissioner Waters believes having an improved website is very important.

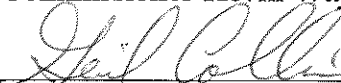
**Adjournment:** The Chairperson adjourned the meeting at 4:53pm.

**Next Meeting:** The next scheduled meeting of the Board of Port Commissioners is November 22, 2016 at 3:00pm at the Port office conference room: 212 SW Cascade Avenue, Stevenson, Washington.

**APPROVED BY:**



**Commissioner Kevin Waters, Secretary (District 1)**

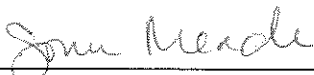


**Commissioner Gail Collins, President (District 2)**



**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 Bacus	" "	427-7866	
✓ JERRY KREIG	"	503 779-7152	
✓ David Pinner		427-5886	11/8/2016
✓ DAVE GORGAS		427-7999	11/8/2016

**AGENDA**  
**Port of Skamania County, Board of Commissioners**  
**November 8, 2016, 3:00 pm**  
**Regular Meeting**

**Call to Order**

**Public Comment**

**Meetings & Seminars Reports**

**Approval of the Minutes**

- October 25, 2016 Regular Meeting

**Voucher Approvals**

- Approval of Pre-issued General Fund Vouchers
- Approval of General Fund Vouchers

**Administrative Approvals**

- Resolution 16-2016 Indemnification

**2017 Draft Budget Review**

**Staff Reports**

- Facilities Report
- Finance Manager's Report
- Attorney's Report

**Unfinished Business/Manager's Report**

- Tenant Updates
- Wind River Business Park (WRBP) MOU Update
- Meeting Time Discussion
- Legal Fees
- Commissioner Health Insurance

**New Business:**

- Open House
- Bob's Beach Parking- Surveyor
- Port Website

**Executive Session Per RCW 42.30.110**

**Adjournment**

**Special Meeting:** November 15, 2016 Budget Review 3:00 pm (if needed)

**Next Meeting:** November 22, 2016 Regular Meeting 3:00pm