

PORT OF LEWISTON MINUTES OF REGULAR MEETING

January 11, 2017

The regular meeting of the Port Commission was held at the Port District Office at the hour of 12:00 p.m. on January 11, 2017.

Present at the meeting were Port Commission President, Mike Thomason, Port Commission Vice-President, Jerry Klemm, and Port Commission Secretary/Treasurer, Mary Hasenoehrl. Administrative staff in attendance were David Doeringsfeld, Port Manager, Jaynie Bentz, Assistant Port Manager, and Kelly VonLindern, Administrative Assistant. Port Commission President, Mike Thomason, convened the meeting at 12:00 p.m.

AGENDA APPROVAL:

Port Commission President, Mike Thomason, called for review of the agenda. Commissioner Klemm made a motion to approve the agenda as presented; seconded by Commissioner Hasenoehrl. The motion passed unanimously.

OATH OF OFFICE:

Port Manager, David Doeringsfeld, administered the Oath of Office to Commissioner Mike Thomason. Commissioner Thomason was re-elected to the Port of Lewiston Commission, District 1, for a six year term, 2017 – 2022. Congratulations were voiced by Port Commissioners and staff.

OFFICERS AND COMMITTEE ASSIGNMENTS:

Discussion and consensus was had regarding each Commissioner retaining the same office during 2017 as previously held in 2016:

Mike Thomason – Port Commission President

Jerry Klemm – Port Commission Vice-President

Mary Hasenoehrl – Port Commission Secretary/Treasurer

Discussion and consensus was had regarding each Commissioner retaining the same committee assignments during 2017 as previously held in 2016:

Commissioner Thomason – Designated representative to Valley Vision and LC Valley Chamber Board

Commissioner Klemm – Designated representative to Pacific Northwest Waterways Association, LCV Chamber Natural Resource Committee, LCV Chamber Government Affairs Committee

Commissioner Hasenoehrl – Designated representative to Urban Renewal Agency Board, LCV Chamber Ag Committee

Discussion was had that Port Commissioners will continue to participate and attend other relevant meetings and events hosted by various organizations and governmental entities throughout the community and region.

No change was discussed regarding the regular monthly meeting of the Port Commission. It will remain the second Wednesday of the month at noon.

CITIZEN COMMENTS: -- None

ADOPTION OF MINUTES:

The Port Commission examined the Minutes for the Regular Meeting of December 13, 2016. A motion was made by Commissioner Hasenoehrl to accept the Minutes as presented; seconded by Commissioner Klemm. The motion passed unanimously.

TERMINAL II & DOCK OPERATIONS REPORT:

An overview was presented by David Doeringsfeld, Port General Manager, concerning operations at Terminal II (Inland 465). He reported that high winds and snow sheared off a vent pipe above the warehouse office. It has been repaired.

Port Manager, David Doeringsfeld, next provided updates on Terminal I, the public dock facilities. He reminded the Port Commission that the river system is currently closed for a 14-week lock outage for U.S. Army Corps of Engineers maintenance to locks. Next, he reported that Omega Morgan has completed the move of the Bonneville Power Administration transformer from rail to truck. He complimented Omega Morgan on the smooth transition. The transformer will remain stored at the Port's Container Yard until weather permits movement on the roadway. It is destined to

the Hatwai Substation outside of Genesee, Idaho. Discussion was had confirming storage fees due to the Port and the weight of the transformer being approximately 375,000 pounds.

Year to Date container shipments are down -87.48% and wheat shipments up 24.94%. Container shipments and wheat shipments for the month of December, as compared to the same month last year, reflect a -100% change in container shipments and a decrease of -19% in wheat shipments for the month. A Year to Date and December shipping summary of statistics was reviewed.

MANAGER'S REPORT:

Active Agenda:

For consideration and approval, Port Manager, David Doeringsfeld, presented a Lease amendment between the Swift Transportation and the Port of Lewiston for a 4-year land lease extension with an amended rental rate structure over the extended term effective February 1, 2017, for approximately 3.32 acres serving the Swift Academy. After discussion, Commissioner Hasenoehrl made a motion to sign the lease amendment as presented; seconded by Commissioner Klemm. Voting Aye in favor of the agreement – Commissioners Thomason, Hasenoehrl, Klemm; voting Nay – none. The motion passed.

For consideration and approval, Port Manager, David Doeringsfeld, next presented the Port Commission with a 50-year land lease agreement with Cope & Robinett Properites, LLC effective February 1, 2017, for approximately 2.19 acres within the Harry Wall Industrial Park. Manager Doeringsfeld also introduced Micah Cope and Paul Robinett, members, and also co-owners of Broemeling Steel & Machine, Inc. Discussion was had regarding the tenant's intent to construct a 15,000 sf facility on site this spring to consolidate the four properties they currently operate from. Mr. Cope stated the new facility will allow for growth and improve efficiencies. They currently employ 12 people with four more positions immediately available. They confirmed that they actively recruit from the LCSC welding program at a competitive wage. Operations at the new facility will include manufacturing, welding and machining. Manager Doeringsfeld recommended approval of the lease. A motion was made by Commissioner

Klemm to approve the Lease Agreement as presented with Cope & Robinett Properties, LLC; seconded by Commissioner Hasenoehrl. Voting Aye – Commissioners Thomason, Hasenoehrl, Klemm; voting Nay – None. The motion passed. The Port Commission thanked Mr. Cope and Mr. Robinett for attending the meeting and their interest in growing their business and working with the Port of Lewiston.

At 12:20 p.m. the Port Commission took a short break.

At 12:30 p.m. the Port Commission reconvened.

PORT OF LEWISTON FY16 AUDIT:

For consideration and approval, Port Manager, David Doeringsfeld, presented the Port Commission with a draft FY16 Audit report, as prepared by Presnell Gage Accounting, PLLC. He began by reviewing the Management Discussion and Analysis as prepared by staff and included within the audit report. He reported that the Port is in a strong financial position and has approximately \$5M in current assets. He introduced Dawn Aliverti and Mitch Marx, from Presnell Gage Accounting, PLLC, to present an overview of the Port's FY16 audit report as prepared on an accrual basis. Overview and discussion was had, but not limited to, a positive net position of \$335,947 (overall profitability of the Port), as cash loss from operating activities of (\$36,117), a positive net change in cash of \$421,484 and an operating loss of (\$501,234). Ms Aliverti commented that depreciation (\$406,469 of the operating loss) and net pension liability of (\$184,000) from PERSI are not budget items for governmental entities. Also, the fiber optic network has not yet been included in the depreciation schedule. Total port operational expenses were down 4%. Open discussion between the Port Commissioners, Port staff and the accountants was had regarding detail within supplemental schedules; the Port's portion of responsibility for any legislatively unfunded PERSI account; how investment into assets for the community impact the audit report vs the depreciation associated with those improvements; planned investments impacting net position; review of assets, liabilities, bonds, interest, rentals, revenues and expenses; utilizing prior revenues held for investment; funds not covered by FDIC insurance; separation of duties for oversight; utilizing current year revenues vs prior revenues held; overarching economic factors; Port Commissioner duties and

responsibilities; and personnel wages categorized to reflect reassigned duties. The Port received an unmodified clean opinion.

Commissioner Hasenoehrl made a motion to approve the Port of Lewiston FY16 Audit report, ending June 30, 2016, as presented; seconded by Commissioner Klemm. Voting Aye – Commissioners Thomason, Klemm, and Hasenoehrl; voting Nay – None. The motion passed. Port Commissioners and staff thanked Ms. Aliverti and Mr. Marx for presenting the audit and their assistance throughout the year.

Miscellaneous Project Review/Updates & events:

Harry Wall Site Development – A revised project schedule was presented to the Port Commission. Manager Doeringsfeld advised the commissioners that he has conveyed his concern to Riedesel Engineering about this delay which could cause price increases to the project.

Fiber Optic Network Update – Assistant Port Manager, Jaynie Bentz, reported that the Southway bridge owners are negotiating the bridge crossing; the Snake River Avenue segment has been approved and awarded; Segment 10 into Nez Perce Plaza has been awarded; final documents with the airport authority remains pending; a segment downtown has been submitted for review by Avista now that the 5th Street conduit agreement has been reached. All construction is currently on hold due to weather conditions.

Community Outreach Update – Manager Doeringsfeld reported a Port Report is scheduled to go out in February. The EIS comment period for the Columbia Snake River Operations has been extended to February 7, 2017.

Upcoming meetings/events:

January 11, 2017 – Chamber Awards Banquet at Quality Inn at 5:30pm

February 8, 2017 – Regular Port Commission meeting at noon

COMMISSION COMMITTEE REPORTS:

Commissioner Hasenoehrl/Urban Renewal Agency— Reported that the URA heard a proposal by a board member to consider creating a revenue allocation area around the old high school in order to help renovate the building and surrounding area. Consensus of the URA board was had in gathering more information on the idea to be

included in their final recommendation of proposed areas. Other areas proposed are East Main in conjunction with the 21st Street roundabout, East Orchards and the residential growth and septic issues, and the Bryden Ave corridor by the airport.

Commissioner Thomason/Valley Vision – Reported that Valley Vision provides confidential updates on business recruitment and expansion inquiries of which two were provided Port properties for consideration. Valley Vision continues to fundraise and he referenced an article and advertisement in the Idaho Investment Guide. He commented that he may attend the upcoming Annual Chamber Day held in Boise, ID.

Commissioner Klemm/LC Valley Chamber Government Affairs Committee, Chamber Natural Resource Committee, PNWA Board of Directors – Reported that the Government Affairs meeting consisted of the Legislative Send Off Luncheon of which all Port Commissioners attended. The Natural Resource committee is working on a draft comment letter for EIS comments due in February regarding Columbia Snake River Operations. He also commented that he has asked the Idaho Congressional delegation to submit comments.

FINANCIAL REPORT:

As the next order of business, the Port Manager presented a Financial Statement prepared by the Port Auditors for six months ending December 31, 2016. After discussion, Commissioner Hasenoehrl made a motion to approve the Financial Statement as presented; seconded by Commissioner Klemm. Voting Aye – Commissioners Thomason, Hasenoehrl and Klemm; Voting Nay – None. The motion passed.

The Port Manager next reviewed a Port Financial Summary concerning the status of Port funds on December 31, 2016. Discussion and consensus was had regarding conversion of the CD at Twin River National Bank into a Money Market account to allow better flexibility and rate of return.

ACT ON CLAIMS:

The next order of business was review and discussion of claims against the Port as presented by the Check Detail Sheet. A motion was made by Commissioner Hasenoehrl to approve and pay Port vouchers Nos. 19292 through 19361, transfers and

EFTPS for a total amount of \$135,856.52; seconded by Commissioner Klemm. Voting Aye – Commissioners Thomason, Hasenoehrl and Klemm; Voting Nay – None. The motion passed.

OTHER BUSINESS:

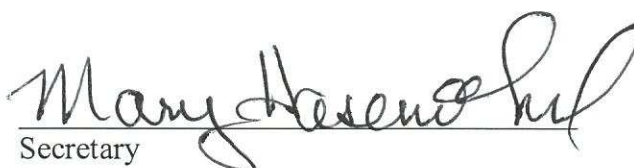
Manager Doeringsfeld advised the Port Commission that he was contacted by alarm central over the weekend and a fire line pipe burst due to freezing at the Seaport Business Center, on the Clearwater Converting side. The fire department arrived and turned off the water to the system. Manager Doeringsfeld helped to secure services for restoration and repair of the sprinkler system line.

Western States Fire Protection repaired the pipe and returned the fire system back to service. Disaster Response worked on clean up and Space Builders is working on sealing and heating of the affected ceiling area. They will also review the ceiling space for the entire building. Martin Insurance has been contacted. The tenant will need some time to determine if any paper rolls were affected.

EXECUTIVE SESSION:

None.

Being no further business, the meeting adjourned at 1:38 p.m.


Secretary
Mary Hasenoehrl