

**MINUTES
PORT OF PEND OREILLE
BOARD OF COMMISSIONERS MEETING
December 8, 2009**

Chairman Kiss called the regular meeting of the Port of Pend Oreille Board of Commissioners to order at 9:00 a.m. in the Port office located at 1981 Black Road, Usk, Washington. In attendance: Chairman Kiss, Vice Chairman Harkness, Secretary Shanklin and Port staff.

For purposes of clarification, the minutes are presented as listed on the agenda, not necessarily in the order they were discussed.

MINUTES:

Commissioner Harkness moved to approve the minutes of November 10, 2009 as presented. Motion seconded by Commissioner Shanklin, so ordered by Chairman Kiss.

COMMENTS:

None at this time.

ADVERTISED ITEM: 2010 FINAL BUDGET HEARING/RESOLUTION 2009-04:

A. DISCUSSION: There was discussion on a few line item changes from the Preliminary Budget Hearing.

B. ACTION: Commissioner Harkness moved to approval the 2010 Debt Service and 2010 Operating Expense Fund Final Budgets and Resolution 2009-04. Motion seconded by Commissioner Shanklin, so ordered by Chairman Kiss.

OLD BUSINESS:

1. JANUARY MEETING:

A. DISCUSSION: There was discussion regarding the January Port meeting due to the location and time of the Leaders Meeting which will be held at Box Canyon. The Commissioners decided to attend the Leaders Meeting and wait until February to hold the next regular Port meeting. If staff feels it is necessary to ask for a special meeting at a later date one will be held. Kelly will advertise the Leaders meeting and the January meeting cancellation.

2. OTHER OLD BUSINESS:

A. INDUSTRIAL PARK:

1. DISCUSSION: Kelly received information from ALSC on wording for the Environmental Engineer advertisement. She will be working on this for the next meeting.

B. NEWPORT FACILITY:

1. DISCUSSION: There was discussion regarding the facility used by Hometown Builders.

NEW BUSINESS:

1. FIRE DISTRICT 4 REQUEST FOR RADIO FREQUENCIES:

A. DISCUSSION: Kelly received an email from Mark Havener requesting that the Fire District be allowed to program railroad radio frequencies in fire district radios for use in the event of an emergency. There was discussion on this matter including the lack of a policy on controls and the main concern over train crew safety during switching operations.

B. ACTION: Due to the possibility of dangerous interference during switching operations Commissioner Harkness moved to deny the request and to provide the Fire District with staff cell

phone numbers to be used instead. Motion seconded by Commissioner Shanklin, so ordered by Chairman Kiss.

2. RESOLUTION 2009-03:

A. DISCUSSION: The resolution for performance awards was presented and discussed.

B. ACTION: Commissioner Harkness moved to approve Resolution 2009-03. Motion seconded by Commissioner Shanklin, so ordered by Chairman Kiss.

3. BOARD REORGANIZATION FOR 2010:

A. DISCUSSION: The following nominations were made by the Board: Chairman- John Harkness; Vice Chairman-Bob Shanklin; Secretary-Steve Kiss.

B. ACTION: Commissioner Harkness moved to approve the nominations as stated. Motion seconded by Commissioner Shanklin, so ordered by Chairman Kiss.

4. TAX CREDIT:

A. DISCUSSION: Kelly presented information on the possibility of being able to sell the tax credit granted by the IRS to Class II and Class III railroads. She is working with the law firm that presented the information to her in conjunction with Paine Hamblin. If the tax credit is available it could possibly be sold to another entity and secure over \$100,000 for the Port. She is still looking into the legal aspect of this venture.

B. ACTION: The Board gave their approval for her to proceed.

5. OTHER NEW BUSINESS:

A. BNSF NEGOTIATIONS:

1. DISCUSSION: Kelly reported that she was successful in negotiating with BNSF on reducing the rental payment to \$5,000 per month for the calendar year 2010.

2. ACTION: The Board approved of this change by general consensus.

B. TEDD/EDC:

1. DISCUSSION: There was some discussion regarding the new operations, PUD matching money and future Port participation.

STAFF REPORTS:

1. ROADMASTER: Cliff reported:

- The new truck was purchased from Tom Addis in Coeur d'Alene. Crews are painting the utility box.
- Crews have finished up the work on the Tacoma Creek Bridge for the year.
- A load of oak ties was received for 2010 work. Most of these 840 ties will go in on the Sandpoint line.
- He and the track crew have been helping Alan get organized for the car repairs.
- Track crew employees have been helping Brett on the slide fence and signal repairs.

MANAGER: Kelly reported:

- Still working with insurance companies regarding better rates.
- Over 120 applications were received on time for the one position open. Many additional applications were received after the deadline. 18 interviews will be held December 10 and 11.
- Due to changes in the Code of Federal Regulations changes have been made to railroad personnel time sheets which require more specific information be listed.
- Potential meeting with the City of Newport next week on the Mendenhall property issue.

- Shipments from the Pole Yard at Oldtown should be starting soon.
- The first check for car repairs has been received after dealing with software set-up glitches.

3. **FINANCIAL OFFICER:** Susan presented the financial information for the month of November.

4. **CHIEF MECHANICAL OFFICER:** Brad reported:

- He finished up another load box.
- GP 8 change from a B block to a C block.
- 2 CN switchers to work on.
- Another switcher to put a traction motor in.
- He and other employees are headed to Davenport on the weekend to work on a locomotive and make repairs to freight cars.
- He has 90% of the wiring done on the locomotive for the State of West Virginia.

RECORDS FOR APPROVAL:

A. **TIME AND EXPENSE SHEETS:** Approved as submitted.

B. **WARRANTS:** 32759-32876 totaling \$228,876.25 approved as submitted.

BREAK: At 11:35 a.m. Chairman Kiss called for a recess for an employee luncheon. At 12:35 p.m. Chairman Kiss brought the meeting back to order.

EXECUTIVE SESSION:

At 12:36 p.m. Chairman Kiss recessed the regular session to meet in executive session with each employee individually to go through annual evaluations. Session was called for approximately 90 minutes.

At 2:00 p.m. Chairman Kiss brought the regular meeting back to order stating no decisions were made in executive session.

ADJOURN: There being no further business Chairman Kiss adjourned the meeting at 2:03 p.m.

John W. Harkness III, Chairman

Kelly J. Driver, Manager

Date Approved