

NBPDA
MEETING MINUTES, THURSDAY, DEC. 01, 2016
6:00 PM
102 CBD Mall #3

Call to Order- 6:08pm

Roll Call- President, Mike Baker, Treasurer, Dan Smith, Secretary, Adam Shaeffer, Store Director, Robyn Legun, Mayor, Don Stevens, Legal Counsel, Tuenis Wyers, PDA ADMIN. Assistant, Hannah Settje, New Board Member Candidate, Randy Nieto

Agenda Changes- None

Board Comments- Discussion on the difficulty to donate to the city, thoughts on using our marketing/promotions budget to have a small fundraiser, perhaps a color dash or something similar. Discussion on the usage the "The Cannabis Corner" name doesn't always appeal to citizens, does it excludes children. Perhaps a disc golf tournament in Spring. Robyn will check marketing rules

Manager's Report -October is up 12.5% from 2015, there are reduced expenses and our income should stay over \$28,000 for 2016. Store is on track to be up 15% from November 2015.

Finance Report- There are some 2016 budget adjustments to make a safety net for payroll and audit costs.

Old Business

LOAN PAYOFF: Payoff strategy to be discussed- Discussion on terms of current loans and if we are making sufficient payments to lenders to continue with the agreed upon terms. PDA is behind on some payments to lenders from previous year, possibly because of loans not being calculated correctly. There is some confusion on the actual principal amounts for some loans. Discussion on making payments by end of 2016 to take principal amounts back to original. Certain language in loans may need modification, some of the amortization schedules are incorrect. No signatures on tables juts original loans and no dates. Should the Board engage in a renegotiation of all loans? Robyn will work with legal counsel to determine if the loans need to be paid back to original amount by end of 2016. Discussion on looking into different lenders to pay loans off at lower rates. Three strategies for the loans was presented by Robyn:

- A. Continue to pay loans as is, with the balloons payment at the end of the loans.
- B. Payoff each loan and bring principal down per year/ pay off 1 or 2 of each loans each year. This will leave no funds for the PDA mission or unexpected expenses.

- C. Ask lenders to renegotiate loans, possibly at a 60 month term, paying principal as well. This will leave PDA with extra funds at end of each year.
 - a. Discussion on option C, possibility of lenders not accepting offers. Can we renegotiate with each lender or do all have to agree? Propose a 12.5% interest rate. Possible fear from lenders about us making the balloon payment when they are due? Legal Counsel advised against paying off only 1 or 2 loans at a time, possible legal ramifications. This strategy would help the PDA mission in long run.

Board agrees to pursue option C and have legal counsel assist as needed. If principal on loans is more or there is accrued interest it needs to be paid off by end of 2015, this expense will not give PDA a shortfall.

Agreed by Board to start negotiation of loans at 10% and go up to 12.5%. Discussion if every lender has to have same interest rate? Agreed by Board to continue to look at possible other lenders as well.

NEW OPERATING PROCEDURES MANUAL UPDATE- Waiting on Consultant, we have not heard back from him. Discussion on Robyn possibly taking the project back and finishing it. Discussion on the authority of granting funds by setting a certain amount or percentage to give out each year, without process of grant applications? Robyn will discuss with State Auditors on legality.

Also, noted by Robyn, State Auditors caution about making PDA audit information public before there official reports are filed and presented. Auditors have next meetings on Dec.5th and 12th, 2016 with PDA.

LEASE AGREEMENT-Copies of proposed amended lease agreement with Eric Kackley were sent to Board and legal counsel prior to meeting. Legal Counsel, Tuenis Wyers, stated the current store landlord, Eric Kackley, is in operating in bad faith with PDA. Landlord has legal obligation to operate in good faith regarding the lease agreement. **Wyers recommended NOT signing the new lease agreement** and perhaps taking legal action if the landlord pursues the "no access" clause within the new agreement. PDA obligation is honor the current lease agreement. Rent for store will be increased by 5% in 2017, landlord had suggested he would be donating the increased funds to city, but no contract was entered.

New Business

CONSENT AGENDA: Minutes, Invoices, Payroll for October 2016- Consent agenda was reviewed, unanimously adopted and signed by Board.

ADOPT CHARTER AMENDMENT *Resolution 2.17*- Amendment has been discussed at previous Board meetings, specific instruction for city/state needed to be met. Section 14, regarding fidelity bond, and Section 22, language was changed from original for state requirements. **Dan motioned to adopt Resolution 2.17, Adam 2nd motion and Board unanimously approved.** Legal Counsel will need a copy for file.

ELECTION OF BOARD OFFICES *Resolution 2.18*

- Authorize Board Member As Signer for Bank Accounts

Need to approve new Board member. Need to make a decision about treasurer positions and bank signers.

Discussion on making a policy about Treasurers position and overseeing funds, book keeping and bank accounts. Discussion on who should sign checks, 2 or 3 people.

Agreed by Board that Treasurer, Executive Director and President should be signers on bank accounts.

Resolution 2.18 as follows, Adam is elected as Interim Treasurer and bank signer and Mike Baker as Bank signer. Dan motioned for Randy Neito to be elected as Board member and Resolution 2.18 be adopted, Adam 2nd motioned and Resolution 2.18 unanimously adopted by Board. Robyn will contact city hall with decision and have it put on City Counsel's next agenda. Discussion about continuing looking for one more Board member.

ADOPT REVISED 2016 BUDGET *Resolution 2.19* – Discussion on increasing payroll line item for safety net for 2016. Also an increase of \$10,000 to financial services for the 2016 audit, because two audits were needed. There will be no change to net income. **Adam moved to approve Resolution 2.19, Dan 2nd motion, Board unanimously approved.**

ADOPT DESIGNATED AGENT FOR TORT CLAIM NOTICE *Resolution 2.20 (To be filed with Skamania County Auditor's Office)* **Dan moved to adopt Resolution 2.20, Adam 2nd motion, no discussion by Board, unanimously approved.**

SET NEXT MEETING DATES – **Thursday, January 26th, 2016 6:00pm**

Public Comment -None

Closing Board Comments- Entire Board thanked Dan Smith for his service on the Board. Dan commented he can be an alternate if needed in the future.

Adjournment- 7:10pm

Note: The public is always invited to attend meetings and the Board may adjourn to executive session in accordance with RCW 42.30.110 during any meeting.