

**NBPDA  
Meeting Minutes  
01/26/2017  
6:00 PM  
102 CBD Mall #3**

**Call to Order – 6:10 pm**

**Roll Call-** President Mike Baker, Secretary/Treasurer Adam Schaeffer, Alternate Dan Smith, Executive Director Robyn Legun, and Mayor Don Stevens present

**Agenda Changes-** None

**Board Comments-** Mike Baker, Legal Counsel Tuenis Wyers and Robyn Legun were all present at the Feb 14, 2017 City Council meeting. Nice to have a good showing.

**Manager's Report-**

-December 2016 was a tough month for finances but Store netted profits in 2016. December's sales were up 22.7% from previous year. January 2017 might be bad mainly because of weather related issues and store closings. PDA had high expenses in Dec. 16 because of one time payments made out.

-New operating procedures- the hired consultant has not responded to Director's contact. Decision to finish the project in house within the next few weeks and will be presented to legal counsel for review.

-The PDA is still looking for new Board members, may have a perspective new member at next meeting, possibility of Executive Director attending more chamber meetings and local events throughout year may help find new members.

-Audit review: Audit has been posted on PDA website. There was only one finding for PDA, which included contracts not being complete and not enough oversight on somethings by PDA. Also, a suggestion that the PDA and LLC ere too closely muddled on some operations. The auditors seemed pleased at exit meeting and had very positive reviews. A management letter was also sent out stating the possibility of several conflicts of interest and PDA needed to better separate record keeping with LLC.

-Discussion on LLC's creation and usefulness in future. Can it be used to sell merchandise in the future? Also, discussion on small details the auditors would like to see in the future at the store. Those details are being worked into operations currently. The LLC has a meeting agenda for immediately after PDA meeting, only needs to meet annually, and can file with the State as inactive for this year.

-Information about WA house bill 1092, home growing regulations, appears likely to pass. Discussion on Oregon's current troubles with testing and labeling and separating recreational and medial cannabis retailers which might be helping WA retailers see more profit.

**Finance Report-** Discussion on cost of 2016 Audit and interest payments. 2017 revenue numbers look encouraging. Losses in Dec. 16 were for one-time payments but there is still profit. Director will have a more complete report on 2016 finances after meeting with accountant.

## **Old Business**

**LOAN PAYOFF: Payoff strategy to be discussed** – Current lenders were contacted about renegotiation of loans, some have shown interest in the renegotiation, 3 of the lenders were not enthusiastic about the offer. Decision to have legal counsel contact current lenders with terms of renegotiation. Discussion on dealing with lowering interest rates throughout the year. Discussion on loan strategies and consolidation of all loans through one lender, perhaps industry specific. Director will begin to look into this possibility. Decision to discuss how to use 2016 surplus funds will be at next meeting.

**NEW OPERATING PROCEDURES MANUAL UPDATE-** Ordinance was presented at last City Council meeting. City Council decided on needing more wording for the ordinance. Comment that the City Council might be misinformed about how much control they have over daily operations PDA and store. Executive Director has a working document which includes the 2017 PDA budget, summary of 2016 accomplishments, which include restructuring for debt redemption, positive audit results and sales revenue increases. Summary may also include landscaping plan modification but landscaping plan has not yet been reintroduced to Planning Commission due to inclement weather.

## **New Business**

**CONSENT AGENDA: Minutes, Invoices, Payroll for December 2016** – Motion to pass consent agenda, motion 2<sup>nd</sup>, unanimous approval of consent agenda.

**DONATION REQUEST FROM CITY OF THE NORTH BONNEVILLE-** Letter from City for a funding request of \$3,000 for playground fund. President discussed the funding as a good will effort to the City and recommends the Board to send the funds. Discussion on process to grant these funds. Executive Director is not fully confident the payment should be made without funding process in place, has requested approval from auditor's office. Discussion on pressure given by City for PDA to give back vs not having procedures in place. Time line for funding process and procedures to be complete is April/May 2017. Motion made to accept funding request and approve \$3,000 to be given to the City's playground fund as soon as possible, motion 2<sup>nd</sup>, unanimous approval of motion. Check will be written by Jan. 29, 2017.

**LEASE AGREEMENT DISCUSSION: Paying of Property Taxes-** Request from Landlord (Eric Kackley) to pay property taxes for 420 Evergreen Dr. for the time period of 2014-2016 in the amount of \$1462.10 was made. Request states paying of

property taxes was written into lease agreement. Request was forwarded to legal counsel for review. Discussion on the cost of paying the amount vs. paying legal fees for litigation. Legal Counsel recommends not paying the amount as it is not clearly stated in lease agreement. Decision to have legal counsel contact landlord with a negative response to request and wait on reaction before moving forward.

**APPROVE CPA/ACCOUNTING CONTRACT for 2017-** Contract for TDJ CPA firm for 2017 presented. Cost would be \$130.00 per hour and estimates for annual report cost is \$ 1,560. 00. Cost for reviewing current loan situation and making 1099's for lenders \$700.00. Contract was also written addressed to Dan Smith will be rewritten to address President Mike Baker. Discussion on the need for proposals for services, if the estimated amounts will exceed current MRSC regulations. Motion to approve 2017 CPA contract with TDJ CPA Incorporated. contingent on checking on regulations was made. Motion 2<sup>nd</sup>, unanimous approval of motion.

#### **Added New Business Discussion-**

Mayor proposed discussion on reducing PDA Board members to 3 instead of 5 as it is currently written. Executive Director has done some research and other WA PDA's do operate with 3 Board members. A Charter revision will be needed to reduce the number from 5 to 3. Discussion on how many members are needed. Charter revision regarding this change will be presented at next meeting.

Discussion on store employees and benefits currently being received. Discussion on full time employee's vs part time employee's benefits policy. Suggestion by Mayor to revise personnel policy to reflect the benefits for full time employees and proration of part time employee's benefits. Discussion on current policy. Executive Director will revise the policy and procedure manual section regarding benefits and paid time off and present to Board next meeting.

Discussion on current health care benefits and possibility of looking into other organizations and policies for this benefit. Executive Director will inquire.

**SET NEXT MEETING DATES-** February 23, 2017 6:00pm

**Public Comment-** None

#### **Closing Board Comments-**

- Continue to ask the public to attend and comment at the PDA Board meetings.
- Discussion on venue for 2017 Store Anniversary Party location and details. Party location is set at restaurant in Hood River on Monday, March 6<sup>th</sup>. Sales and promotional events are set for the store for the weekend prior to March 6<sup>th</sup>.
- Also noted the PDA would like to be part of the City's playground event and would like our employees to be a part of the citizens working/building on it.

**Adjournment- 7:45pm**

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.

