



MINUTES
Ellensburg Business Development Authority
January 16, 2007

PRESENT: Charlotte Tullos Lynn Jenison Jerry Decker
 Fritz Glover Desmond Knudson Bob Titus

ABSENT: Bill Meyer Doug Ryder Bruce Tabb

STAFF/GUESTS: Debbie Strand Sherry Luke

I. Establish Quorum

The Ellensburg Business Development Authority (EBDA) met in the 221 E 4th conference room on Tuesday, January 16, 2007. Charlotte Tullos chaired the meeting for Bruce Tabb, confirmed that a quorum was present, and called the meeting to order at 5:45 p.m.

II. Minutes – November 21, 2006

Lynn Jenison moved to approve the minutes of November 21, 2006 with one minor correction. Bob Titus seconded, and the motion passed unanimously.

III. Financials

Jerry Decker, Treasurer, reviewed the Financials.

A. Approval of November and December 2006 Checks

November – With all items usual, Decker moved to approve EBDA-Operation's checks 9710-9727 in the amount of \$10,344.70. Fritz Glover seconded, and the motion passed unanimously. Decker noted the DOR excise penalty, and with all other items usual, moved to approve EBDA-Airport checks 1420-1423 in the amount of \$8,832.29. Bob Titus seconded, and the motion passed unanimously. *December* – Decker noted the final Fire Alarm System payment, and with all other items usual, moved to approve EBDA-Operation's checks 9728-9750 in the amount of \$13,749.21. Lynn Jenison seconded, and the motion passed unanimously. Decker noted the DOR excise penalty interest, and with all other items usual, moved to approve EBDA-Airport's checks 1424-1428 in the amount of \$1,844.70. Desi Knudson seconded, and the motion passed unanimously.

B. Review of Preliminary Year-End Financials

Profit and Loss Budget vs. Actual by Fund – Actual and budgeted revenues differed by \$316. Expenditures were about \$11,000 less than budget due mostly to Land Lease

(delayed billing). Fritz Glover moved to record the 2006 Land Lease as a 2006 expense and account payable. Decker seconded, and the motion passed unanimously. For Non-Operations, City funds to help defray the Mission Ridge study were never received, but the Board approved a \$10,000 expenditure by Group. **Balance Sheet by Fund** – Receivables include Group memberships, EBDA rents (Aragorn-Miglino and Iron Horse), payroll contract from Group, and one-half the final alarm system billing from the City, and MicroLoan payments from Quilter and Worley. Aragorn-Miglino and Worley made partial payments, and Quilter is now paid in full.

C. 2007 Budget

Decker reviewed the draft EBDA Budget. Although Revenue increases by \$3,000 (increased rents), it has been essentially flat for the last 10 years due to limited opportunities to acquire new funding sources (grants are rare and usually not for operations). Expenditures increase by \$25,500 mostly related to payroll/payroll taxes (new staff position), a three-year audit, and the Airport ground lease. The overall deficit is \$30,000. The Change in Financial Position indicates that two years of debt service (Sinking Fund) has been reached, but the trend of continuing deficits must be reversed. Obtaining additional government revenues (CTED and Kittitas County) were discussed, but the best potential is through Group memberships.

Bob Titus moved to eliminate the \$25,000 economic grant to Economic Development Group, but award it later in the year if funds become available. Jerry Decker seconded. After further discussion, a friendly amendment was moved by Fritz Glover and seconded by Desi Knudson to also approve the 2007 budget, which was accepted. The motion as amended was passed unanimously. The Budget will be reviewed again in ninety days after Group membership recruitment.

Overall changes to the Budget include removing the \$25,000 grant to Economic Development Group, increasing Audit expense from \$4,950 to \$5,027, decreasing the 2007 Airport ground lease from \$13,318 to \$9,008 (removing the 2006 portion), decreasing Building/Equipment Maintenance from \$1,500 to \$1,250, and decreasing Landscape Maintenance from \$600 to \$450. The resulting Net Operating Revenue deficit is reduced from \$30,000 to \$850.

IV. Chair's Report

A. Building/CERB Update

Special tasks continue to be completed for the CERB loan/grant. Kittitas County passed their needed resolution. The target occupancy date is still June. Overall, the process is progressing with drawings, discussions with Dantzler, a new draft lease being prepared by an attorney, the Trap and Skeet Club's obligation to clean up lead contamination, and the archeological survey.

B. Other - Officers

Fritz Glover moved to elect Lynn Jenison as Secretary. Bob Titus seconded, and the motion passed unanimously. Bob Titus moved to elect Doug Ryder as Vice Chair contingent on Doug's acceptance. Jerry Decker seconded, and the motion passed unanimously.

V. Director's Report

A. CERB Update

This was reported earlier.

B. Draft Lease Update

This also was reported earlier.

C. Tenant Updates

- 1. Iron Horse Brewing** – Quilter signed a purchase agreement (for September) with and has obtained investment funding from the Parker's. He is brewing and bottling, plans on being at the Brewfest, and will do some brewing experimentation.

Central Washington Biodiesel will begin selling fuel this week, which can be sold at the Incubator. Full operations of 6,000 gallons produced per day are planned for spring. Only two sprinkler heads are needed for the fire alarm. They still need capital and investors.

B. Staff Activities

- 1. Airport Building Roof** – Steel Pro from Baker City, Oregon will complete roof repairs within the next three weeks if there is a break in the weather. They will replace 3-4 panels. The material costs are minimal compared with the labor costs.

The Auditors are requesting additional information, such as cash receipts and information about Board members and spouses (conflict of interest review).

Strand and Decker will review the MicroLoan limits and prepare a proposal for the next meeting (or a special meeting, if necessary).

VI. Other Business

None

VII. Announcements

None.

VIII. Adjourn

Jenison moved to adjourn the meeting at 7:10 p.m. Glover seconded, and the motion passed unanimously.

Respectfully submitted,

Lynn Jenison, Secretary