

## MINUTES

### Ellensburg Business Development Authority March 16, 2004

**PRESENT:** Desmond Knudson      Lynn Jenison      Fritz Glover      Bill Meyer  
                 Bob Titus                      Charlotte Tullos      John Winbauer

**ABSENT:**    Jerry Decker                      Doug Ryder

**STAFF PRESENT:** Debbie Strand    Sherry Luke

---

#### **I. Establish Quorum**

The Ellensburg Business Development Authority (EBDA) met in the Incubator conference room on Tuesday, March 16<sup>th</sup>, 2004. Chair Desi Knudson confirmed that a quorum was present and called the meeting to order at 5:30 p.m.

#### **II. Minutes: January 20, 2004**

Fritz Glover made a motion to approve minutes with corrections (which has been done) and seconded by Bill Meyer. The motion passed unanimously.

#### **III. Financials**

Debbie Strand reviewed Financial Reports for Treasurer Jerry Decker as follows:

##### **A. Approval of January and February 2004 Vouchers**

*January EBDA-Operations:* No unusual expenditures were noted. A motion was made by Bob Titus to approve checks 9000-9017 in the amount of \$7,024.74, Lynn Jenison seconded the motion, there was no discussion, and it passed unanimously. *January EBDA-Airport:* Unusual expenditures noted were the ground lease, Bay 3 building permit, and water line repair. Titus made a motion to approve checks 1300-1305 in the amount of \$12,739.14. Fritz Glover seconded the motion, there was no discussion, and it passed unanimously. *February EBDA-Operations:* Items noted included rent income and auditor and new copier expenses. Titus made a motion to approve checks 9018-9038 in the amount of \$9,072.64. Winbauer seconded the motion, there was no discussion and it passed unanimously. *February EBDA-Airport:* The rent checks from Hobart and plumbing expenses were noted with all other items being normal. Titus made a motion to approve checks 1306-1308 in the amount of \$1,671.87. Jenison seconded the motion, there was no discussion, and the motion passed unanimously.

**B. Report on February Financials**

*Profit Loss Budget vs. Actual by Fund:* Revenues were below budget, primarily due to private sponsorship income. Expenses were also below budget. Thus, the Net Revenue loss was less than expected. *Balance Sheet by Fund:* Checking and Savings is strong at about \$183,000. Accounts receivable reflect rents in arrears, although rent checks are being received and Cady's have paid their past due microloan payments in full. Group's account payable to EBDA is expected to be paid when a response from the City of Ellensburg is received regarding splitting the \$50,000 city funds with 50% going to Group and 50% going to EBDA.

**C. Audit**

An Exit Interview is scheduled for March 29, 2004, which will be attended by Decker, Titus, Knudson, Strand, Luke, and the Field Auditor and her supervisor. Recommendations are expected, but no findings.

**IV. Chair's Report**

**A. Airport Building**

**1. Buildout of Bay #3** - Strand presented the contractor's contract for review. A discussion followed regarding the bid process and results. Knudson noted that the bid was somewhat high, but reasonable given that the job was very small. The contractor requested a draw during the project to cover materials. At least 5% of the contract will be held until all liens are released. Recommendations for the contract included remove sales tax wording and adding an attorney fee provision, a payment schedule, change order procedure, release from liens, and a hold harmless clause. Strand will work with Winbauer to incorporate the changes into the contract and Knudson will review the amended contract. Charlotte Tullos made a motion to approve the amended contract if both Winbauer and Knudson agreed. Titus seconded the motion, and it passed unanimously.

**2. New Building** - Original planning for the airport included two additional buildings. Strand reports that CERB has funding to finance a second building and she has several tenants willing to lease the space.

Extensive discussion following regarding potential tenants for the building, Incubator waiting list, private entities not eligible for this funding, many businesses looking for space, staff time to write the grant, other funding options, and the goals and objectives of the Economic Development Group related to job creation.

Tullos made a motion authorizing Strand to apply for the grant/loan, which will include funding for a project manager, and with a final Board decision to accept funding, if awarded, based on further discussion. Jenison seconded the motion, and it passed unanimously.

**3. Pro formas** - A Pro forma for the first Airport Building at the end of year three (now) shows a cash flow better than expected. The intent was to build a new building when the first was occupied and tenants secured for a second building.

**B. Consolidated Routing**

Consolidated Routing's lease expires in June. They initially moved into the Incubator due to a lack of space. A discussion will occur at the May meeting regarding their future tenancy. They are paying fair market rental price.

**C. Other**

There were no other topics from the Chair.

**V. Director's Report**

Strand provided a written report.

**A. Tenant/Borrower Status**

Tenant status was reported during financials review. MicroLoan recipients Emily and Tom Cady have filed a Chapter 7 bankruptcy. However, they have paid back payments in full, and declared that we could expect no further late payments. Strand filed liens with the loan. Strand will obtain further information.

**B. Staff Activities**

See written report.

**VI. New Business**

None

**VII. Other Business**

None

**VIII. Announcements**

None

**IX. Adjourn**

The meeting was adjourned at 6:50 p. m.

Respectfully submitted,

Lynn Jenison, Secretary