

June 17, 2019

The Lincoln County Port Authority met for a special session on June 17, 2019, in the Lincoln County Courthouse, Libby, Montana. Present were Commissioner Bennett, Commissioner Peck, Ted Werner, Tony Petrusha, Brett McCully, Tina Oliphant, and Clerk and Recorder Robin Benson. Also present was Commissioner Letcher, Eureka via VisionNet.

Tina submitted the following agenda:

**Lincoln County Port Authority  
Meeting Agenda  
June 17, 2019 1:30 PM  
Commissioner Chamber; Libby, MT**

1. **Approval of Minutes from May 20, 2019**
2. **Review of Financial Statements for May 2019**
3. **Update on Isotex Health**
4. **Concept Budget -Relocation of Jasper Enterprises, Inc.**
5. **Consideration of a Loan Loss Reserve for the Revolving Loan Fund**
6. **Review of Infrastructure Projects**
  - a. **Opportunities for Image issues**
  - b. **Secondary access and the County's timeline**
  - c. **Security Gate Protocol**
  - d. **Flood plain issues for the clean up work**
7. **Old Business**

**Open for Public Comments:**

**Adjourn meeting**

1. The Board reviewed the minutes of May 20, 2019. **MOTION** by Ted Werner to approve the May 20, 2019 minutes as corrected. Second by Tony Petrusha, motion carried.
2. **Review of Financial Statements as of May 31, 2019:** Tina submitted the Balance Sheet with Prior Year End, Profit & Loss Budget Performance, and Projection of Cash Flow Balance for 2019. **Motion** by Ted Werner to accept the financial reports as submitted. Second by Tony Petrusha, motion carried unanimously.
3. **Update on Isotex Health:** Tina said closing potentially could be this Friday subject to the completion of final documentation from the IRS. Tina said she had a conversation with Isotex regarding their concerns with cleanup surrounding the stinger building; setting an image. Tina suggested a letter from the county to assure improvements are mutually beneficial, cleanup to be a shared responsibility and explain that some cleanup is already in planning; basically, a comfort letter that states these things can be addressed. Commissioner Peck suggested sending a letter after closing is final. Ted suggested having the Libby Chamber send a welcome letter as well. Commissioner Bennett suggested sending a letter to the businesses currently at the Port regarding clean of their properties.
4. **Concept Budget-Relocation of Jasper Enterprises, Inc.:** Brett guesstimated total cost to be approximately \$377,000 for a 60' X 120' building, concrete, steel building, labor, electrical fee, moving existing equipment, office, and non-potable water. Brett said he did make some assumptions, and we may be able to shave some funds off. Commissioner Peck commented that he does not feel the Port should pay for the entire cost; should be a shared expense because it will be a huge improvement to the business operation. Ted recommended holding off on the relocation until the responsibilities and costs are better determined.
5. **Consideration of a Loan Loss Reserve for the Revolving Loan Fund:** Tina explained the USDA requires a loan loss reserve established for the revolving loan program. A loan loss reserve is an accounting entry to cover estimated losses on loans and is typically built up over years and then maintained at a percentage of the outstanding portfolio. USDA is requesting 6% of loan outstanding to be reserved over a 3-year time period. Of course, the Board may desire to establish a higher amount. Tina submitted the financial activity for the IRP program since inception (2017). **Motion** by Ted Werner to reserve \$15,000 in FY 2020 budget to begin the process of establishing a 6% loan loss reserve on the USDA IRP loan fund. Second by Commissioner Peck, motion carried unanimously. Ted said he is happy to see Tina staying in compliance.
6. **Review of Infrastructure Projects:**
  - **Opportunities for Image Issues:** Commissioner Bennett stated that the board has been talking about cleanup for several months and suggested potentially to move the equipment into the trees at Rich Thompson's location. Brett suggested a privacy fence in some locations as an option.
  - **Secondary access and the County's timeline:** Brett said it will be two to three weeks and then we can start fencing. Tony asked about signage. Brett said we need put a sign on the highway that allows for future businesses or recreational sites. Tina suggested buying a sign that coordinates with the city's wayfinding signs.
  - **Security Gate Protocol:** Brett said the gate will be closed every evening until the new road is ready. Commissioner Bennett commented to get firmed up with businesses and put up a gate on the new access. Brett said he will talk with the museum to see where to locate the gate and he will get an estimate from Flathead Electric for power installation. Ted suggested buying the gate directly from the manufacturer to save a significant amount of money. Commissioner Bennett stated that we need to move forward with fees for use of the log loader and scales; options were discussed.
  - **Flood plain issues for the cleanup work:** Brett talked with Fraser and the surveying plans by KSI are complete. Fraser will analyze the berms and we will need vegetation, and have it planted. Fraser is conducting the design and is moving forward. Commissioner Bennett suggested looking at additional cost of using bark and to plant a few trees.
7. **Old Business:** Commissioner Peck commented that we need to move forward with the Controlled Groundwater Area (CGA) issue. Commissioner Bennett suggested a letter should be drafted to the Board of Health (BOH)

stating the Port Authority has resolved their concerns related to the BOH serving as a petitioner for the CGA, therefore the Port's earlier request for the BOH to defer a decision based on Port Authority considerations is withdrawn. Commissioner Peck talked about negotiation strategies and how this will allow the BOH to talk with International Paper regarding the CGA; the key is finding a good attorney to help represent us. Tina will draft the letter for Commissioner Bennett's review and signature.

**Adjourned at 3:00**

**LINCOLN COUNTY BOARD OF COMMISSIONERS**

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Jerry Bennett, Chairman

**ATTEST:** \_\_\_\_\_  
Robin A. Benson, Clerk of the Board