

**RICHLAND PUBLIC FACILITIES DISTRICT
REACH, 1943 COLUMBIA PARK TRAIL, RICHLAND
WEDNESDAY, JUNE 21, 2017 MEETING TIME: 5:30 P.M.**

REGULAR MEETING: #06-17

MINUTES

CALL TO ORDER

President Dan Boyd called the meeting to order at 5:30 p.m.

ROLL CALL

MEMBERS

Dan Boyd, President	Present
Stan Jones, Vice President	Present
Shirley Long, Secretary/Treasurer	Present
Bill King	Present
Veronica Kenney	Excused

LIAISONS

City Council Liaison: Phillip Lemley	Excused
The Reach Foundation: Ron Lerch	Excused
City Liaison: Kerwin Jensen	Absent
Alternate Council Liaison: Sandra Kent	Absent

STAFF

Rosanna Sharpe, Executive Director
Dianna Millsap, Executive Assistant
Sherri Fluaitte, Finance Manager

APPROVAL OF AGENDA

Mr. King moved and Mr. Jones seconded a motion to approve the June 21, 2017, regular meeting agenda as presented

Motion Carried 4-0

APPROVAL OF CONSENT AGENDA

Mr. Jones moved and Ms. Long seconded a motion to approve the June 21, 2017, consent agenda as presented

Motion Carried 4-0

COMMITTEE/LIAISON COMMENTS

- City Council – Phillip Lemley

None

- Reach Foundation – Written report provided by Ron Lerch

Mr. Lerch was unable to attend the Richland PFD meeting but provided a written report of the June highlights from the Reach Foundation.

Mr. Boyd reviewed the report with members:

- The Reach Foundation transferred MSA's \$50,000.00 donation to support the hiring of the new Executive Director, to the Richland PFD
- The Reach Foundation made a payment of \$9,000.00 to the Richland PFD as part of the foundation's 2017 pledge
- The Reach Foundation "Day's Pay" fundraiser will be held Thursday, June 22, 2017. The foundation's goal is to raise \$25,000.00. Battelle and Basin Pacific Insurance sponsored the event. Wine will be donated by Pete Hedges and CG Public House & Catering will provide the food. Individual tickets will be sold for \$25.00, a table of eight can be purchase for \$200.00. "Raise the Paddle" and "Mystery Wine Raffle" fundraisers will be held. Mike Talbot will be the MC for the event.
- City Liaison – Kerwin Jensen

None

PUBLIC COMMENTS

None

REPORTS AND CORRESPONDENCE

- Executive Director Report

Ms. Sharpe reported to members on meetings she has had with community organizations and partners. The meetings have helped Ms. Sharpe in developing an understanding and have provided clarity in recognizing their work. Ms. Sharpe thanked members for sharing their networks. She feels incredibly supported and that everybody is ready to recommit to the REACH. The meetings have been extremely encouraging and talks about partnership have started.

Karen Lutz, Director, DOE Office of Access and Use, contacted Ms. Sharpe about facilitating a meeting between a high level DOE official and the Confederated Tribes. Ms. Sharpe and Mr. King will be attending the Confederated Tribes of the Umatilla Indian Reservation, Cultural Resource Committee meeting on August 1st. Ms. Sharpe indicated that she would like to cultivate and engage in a helpful relationship with the tribes. Ms. Watkins has offered to facilitate a meeting with Doug Shoop, Manager, Richland Operations. Ms. Sharpe has met with most of the foundation members individually.

Ms. Sharpe reported on the meeting that she and Mr. Boyd attended at the city. The meeting went well and she got good feedback from Ms. Rentz. Ms. Sharpe went on the Hanford Clean-Up tour, is going on the B Reactor tour next week, will take the Pre-Manhattan Project tour following that.

The wine exhibit opening is scheduled for June 29th. Ms. Sharpe has completed an editorial review, the proofs have been finalized and the install is scheduled for Monday.

Ms. Sharpe and Mr. King met with the Port of Benton Executive Director, Scott Keller, and Diahann Howard, Director of Economic Development.

BUDGET COMMITTEE

- **Review and Approve Final December 31, 2016, Financial Statement – Dan Boyd**

Mr. Boyd provided a brief overview of the Financial Reports ending December 31, 2016. This report is the December 2016 year-end statement. Adjustments have been made for the city's estimate for depreciation and also includes the Facility Contingency Fund (FCF) payment of \$69,509.00 which was due last July. Ms. Fluaite added that three adjustments have also been made due to invoices that came in later. Mr. Boyd pointed out that the bottom line shows a substantial loss of -\$859,369.29, of which \$704,329.54 is accumulated depreciation and \$69,509.00 is the FCF expense. Mr. Boyd stated that the board will not be making business decisions based on this report, the adjustments were made so that the city can incorporate the Richland PFD financials into their financials for audit purposes. This will be done only once a year for purposes of reporting to the city. Mr. Boyd added that if you remove the depreciation and the FCF payment the bottom line is about -\$100,000.00 net income loss.

Ms. Long moved and Mr. Jones seconded a motion to approve the Final December 2016, Financial Statement

Motion carried 4-0

- **Review and Approve Revised Budget – Dan Boyd**

Mr. Boyd presented the revised operating budget January 2017 to December 31, 2017.

Mr. Boyd pointed out under the Total 2017 column the bottom line net income is zero. The gross profit reported is \$768,108.00 and total expenses are \$768,108.00 for a zero balance budget. Ms. Sharpe and Ms. Fluaite decided to reduce the income and expenses by \$25,000.00 for the entire year. All adjustments were made in the month of June as reported.

A summary of all of the adjustments is included on the third page of the report. Financial reporting next month will show that actuals are tracking closer to the revised budget. Going forward every month members will see the year-to-date actual versus the year-to-date budget which should be close. Mr. Boyd pointed out the Fund 631 Transfer (Debt Service) line, remained the same, \$274,000.00. Mr. Boyd and Ms. Long reviewed the revised budget prior to the board meeting.

Ms. Sharpe briefed board members on the plan for the HVAC between now and the end of the year. The plan is to deal with HVAC issues on an as needed basis. Facility staff will continue to maintain the equipment as they have been doing. A service provider will be hired to come in and certify the equipment in the winter and again in the spring for a cost of under \$1,000.00. Mr. Flores will schedule certification of our systems sometime in September or October. The checklist provided is a pretty substantial list. Mr. Jones requested that a copy of the checklist be sent to him for review.

Mr. King question whether the \$25,000.00 reduction on expenditures is realistic? Mr. Boyd explained that Ms. Fluaite looked at the year-to-date expenses and found that we are way under on the expense line items so she felt safe in making the reductions.

Ms. Long moved and Mr. Jones seconded a motion to approve the revised 2017 Operations Budget

Motion Carried 4-0

PENDING TRANSACTIONS

None

NEW BUSINESS

None

UNSCHEDULED ITEMS

- Facility Contingency Fund

Mr. Boyd brought forward for discussion the Facility Contingency Fund (FCF) payments to the city. Mr. Boyd stated that it has been made clear that the city is expecting the PFD to pay last year's July payment of \$69,509.00. Mr. Boyd believes the city will send an invoice and expect us to pay the bill or authorize a transfer from the debt service account. Mr. Boyd requested an action from the board to authorize the July 2016, FCF payment and to consider setting a goal of making the 2017, FCF payment by the end of the year.

Concerns and discussion:

- The PFD signed a contract agreeing to make the payments
- Possibility of negotiating terms, maybe pay it over a three-month period of time
- The minutes must show the PFD board approved the payment or the city accounting department won't do it
- In terms of good faith and the PFD taking the higher road, if we are able to at least make the July payment, that would go a long way. It's important to be really transparent
- Sales tax revenues are coming in pretty strong, we do have the money in the debt service account
- The debt service account is essentially our back up. This is one of the places we can go if we ever get into real trouble. In the FCF agreement that we signed there are ways we can get access to that money
- If we pay these two payments, we'll only have one more to make next year and we'll be done with it.
- The last couple of years have shown us that all kinds of things can happen. The concern is if we end up expending all the debt service funds we won't have that backup
- It would be a lot easier to have the discussion with the city if we weren't in arrears of two payments.
- Developing a strategic plan, a budget and a business plan will make it easier, show that we are on more solid ground which would help with these conversations with the city
- At this point we are in arrears, we just need to get caught up, get this over with.

Mr. Boyd believes the PFD can make the FCF payment now and then wait to decide on the December payment. Mr. King added that the PFD would have to make a formal request to City Council to renegotiate the contract if we find at the end of the year that we can't make the payment.

After discussion Mr. Boyd requested a motion allowing the City of Richland to transfer \$69,509.00 from the Fund 631 Debt Service account to the Facility Contingency Fund (FCF). The transfer to take place in the month of July.

Ms. Long moved and Mr. Jones seconded a motion authorizing the City of Richland to transfer \$69,509.00 from the Fund 631 Debt Service account to the Facility Contingency Fund in the month of July

Motion Carried 4-0

ACTION ITEMS

Document action items, who is responsible, and due date.

- Transfer FCF Payment - REACH Staff – July 2017

NEXT MEETING SCHEDULE

The next regular Richland PFD meeting is July 20, 2017, at 5:30 p.m.

EXECUTIVE SESSION

None

ADJOURNMENT

Mr. Jones moved and Mr. king seconded a motion to adjourn

Motion Carried 4-0

President Boyd adjourned the regular meeting at 7:09 p.m.

Prepared by: Dianna Millsap

Reviewed by



