

MINUTES
PORT AUTHORITY ANNUAL MEETING
WEDNESDAY JUNE 25, 2008
4:30 P.M.
COUNCIL CHAMBERS

Members Present: Commissioners Jerry McCarthy, Brian McAlister, Larry Maus, Jerry Mohrfeld, and. Norm Hecimovich

Members Absent: Michael Bednar and Georgette Hinkle

Staff Present: Port Authority Executive Director Jim Hurm, Port Authority Attorney David Hoversten

Others Present: Kim Pelzel, Larson Allen Associates; Austin Daily Herald.

President McCarthy called the meeting to order at 4:30 pm.

Item #2 – Approve minutes of April 23, 2008 –Motion by Commissioner Maus, seconded by Commissioner Mohrfeld, to approve the minutes of the April 23, 2008 special meeting. Carried 5-0.

Item #3 – Audited financial statements. Kim Pelzel from Larson Allen Associates reviewed the financial statements and supplementary information for the year 2007. Ms. Pelzel reviewed the management letter and complimented Mr. Dankert for his fine work in putting the reports together. The data has not changed substantially since the review of the unaudited financial statements at the April 23, 2008 Port Authority meeting. There were no auditors' findings to report. Motion by Commissioner Hecimovich, seconded by Commissioner Mohrfeld, approving the audit report for December 31, 2007. Carried. 5-0.

Item #4 – Claims for payment. Mr. Hurm reviewed the Claims for Payment dated June 18, 2008. Motion by Commissioner Hecimovich, seconded by Commissioner Mohrfeld to approve the Claims for Payment as presented. Carried. 5-0.

Item #5 – 2009 Budget–recommendation to City Council. Mr. Hurm presented the recommended budget for the Port Authority for the year 2009. The APC debt service fund will show a positive balance in 2016. The year 2009 is the last year of debt payments. The property management general fund shows a levy request of \$35,000, which is the same as previous years. Its funds will go toward general economic development activities including partnerships, and for the Southern Minnesota Initiative Foundation contribution of \$5000. Interest earnings are expected to decrease in 2009 to \$70,000 from \$90,000 in 2008. The Walker building property management fund is in very good shape. He estimated lease revenues will increase by at least 3%. The Hormel Institute debt service fund shows a deficit upfront but will zero out at the end of the debt period. Following a brief discussion, motion by Commissioner Maus, seconded by Commissioner Hecimovich, to approve the 2009 Port Authority budget as recommended and to propose the levy to the City Council as presented in said budget.

Item #6 – Election of officers. Motion by Commissioner Mohrfeld, seconded by Commissioner Heciovich to re-elect the officers as follows:

- President: Jerry MCarthy
- Vice President: Brian McAlister
- Treasurer: Larry Maus
- Secretary: Tom Dankert
- Assistant Treasurer: Tom Dankert

Motion carried. 5-0.

Item #7 – Weyerhaeuser lease agreement/International Paper Company. Attorney Hoversten explained the request of Weyerhaeuser Company to International Paper Company for a transfer of its interest in the lease of the Austin Port Authority building. He had previously reviewed the proposed Assignment and Assumption Agreement by and between Weyerhaeuser and International Paper Company, and the proposed Consent to Assignment of Lease to be executed by the Austin Port Authority. He indicated that it would be appropriate for the Austin Port Authority to sign the consent to the assignment of the lease. He stated it is obvious that the International Paper Company is fully capable of performing the obligations of the intent of said lease; they are an international company trading on the New York Stock Exchange. Following discussion, Commissioner McAlister moved, seconded by Commissioner Hecimovich to approve the proposed Assignment and Assumption Agreement, as well as the proposed Consent to Assignment of Lease. Carried. 5-0.

Item #8 – Update of Main Street Project. There was no update this month.

Item #9 – Executive Director Report. The Executive Director Hurm reported that there may be a need for a special meeting in July. He asked if members would be available either July 23 or July 30. Commissioner Hecimovich indicated he will not be available on July 30. Mr. Hurm further indicated that there may be need for some action in regard to the Cooperative Response Center, and potentially action regarding land in the Cook Farm for the Austin Medical Center.

Item #10 – There was no further business.

Item #11. Adjournment - With no further business, motion by Commissioner Hecimovich, seconded by Commissioner Mohrfeld, to adjourn the Port Authority meeting at 5:00 p.m. Carried 5-0.

Approved: _____

President: _____

Secretary: _____