

MINUTES
PORT AUTHORITY REGULAR MEETING
WEDNESDAY, JANUARY 26, 2022
4:30 P.M.
CITY COUNCIL CHAMBERS

Members Present: Commissioners Jerry McCarthy, Lee Bjorndal, Jason Baskin, Chuck Moline, Jeff Austin and Tim Ruzek.

Members Appearing via Zoom: Commissioner Michael Bednar.

Members Absent: None.

Staff Present: Port Authority Attorney Craig Byram, Port Authority Executive Director Craig Clark and Port Authority Secretary Tom Dankert.

Others Present: None.

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

Item #2. – Approval of minutes of the September 7, 2021 regular meeting: Motion by Commissioner Bednar, seconded by Commissioner Bjorndal to approve the minutes of the September 7, 2021 regular meeting. Carried 7-0.

Item #3. – Claims for Payment: Mr. Dankert discussed the claims paid from January 8, 2021 through January 6, 2022 noting in total, payments made were \$926,482.41. Mr. Dankert noted some of the large unusual payments as follows:

- \$5,000 to the Austin HRA for payment on the original \$50,000 Oak Park Mall redevelopment 0% interest loan.
- \$13,845.00 to Harty Mechanical for new boilers at the Walker Building.
- \$650,000 to The Hoversten Trust Account for the YMCA purchase (reimbursed by City to Port Authority).
- \$62,850 to HPW LLC for the State Bank Building sprinkler loan.

Motion by Commissioner Moline, seconded by Commissioner Ruzek to approve the claims for payment as presented. Carried 7-0.

Item #4. – Election of Officers: Mr. Dankert noted this is the annual meeting for which officers need to be elected. Motion by Commissioner Moline, seconded by Commissioner Baskin to approve the officers for 2021 as follows:

President	Jerry McCarthy
Vice President	Jeff Austin
Treasurer	Lee Bjorndal
Secretary and Assistant Treasurer	Tom Dankert

Carried 7-0.

Item #5. 2021 Financial Report: Mr. Dankert noted the preliminary financial statements for the period ending 12/31/21 are as follows:

- Page 1 Combined Balance Sheet shows total cash of nearly \$3 million and long-term assets of \$1,171,790. Fixed Asset net book value is now at \$21,388,456.
- Page 2 Combined Income Statement has a net loss of \$823,201 after depreciation. Taking out depreciation (non-cash item) and the loss on the sale of land we had for the NuTek project we would have had net income.

Breaking down the above combined elements into each different operation includes:

- Page 3 Balance Sheet of Property Management shows available cash of \$1,357,934, loans receivable of \$210,209, and downtown revitalization loans of \$121,316.
 - Land held for resale is at \$816,609.
- Page 4 Property Management Income Statement shows \$50,320 of tax receipts, with expenses of \$831,615 including the \$650,000 purchase of the former YMCA.
- Pages 5 and 6 Walker Building shows cash of \$587,486 on net income of \$69,610.
- Pages 7 and 8 Oak Park Mall include \$951,337 of cash and \$328,488 of fund balance.

Mr. Dankert noted we are still closing out the year, and are in the process of calculating depreciation and paying final bills that could amend the financial statements as presented.

Motion by Commissioner Bjorndal seconded by Commissioner Baskin to approve the preliminary financial statements as presented. Carried 7-0.

Discussion ensued regarding what are the priorities of the Port Authority now that we have so much available capital. After further discussion President McCarthy requested the Executive Director develop some format for a discussion maybe in March as to priorities that the Port Authority should consider.

Item #6. – Executive Director Report: Mr. Clark went through a status update of the NuTek facility being constructed at the Creekside Business Park. Mr. Clark noted the progress that has been made and their goal to open in July of 2022. Additionally, we are working with NuTek for them to potentially have some first-right-of-refusal on additional lots in the Creekside Business Park.

Mr. Clark noted we have applied for an EDA grant to help fund 80% of infrastructure costs in the Creekside Business Park.

Additionally, one of the leaders of the Patriot Development group that wanted to develop the 25 acres the Port Authority owns on the Persinger property has passed away, so the remaining members of the group are still looking at options for this site.

Item #7. – Any other business: Commissioner Bjorndal questioned if the Port Authority had any outstanding loans with Cobblestone Hotel since seeing that they are in foreclosure. Mr. Dankert noted we only sold them the land they are on, and were paid cash for that, so there are no loans outstanding with them. Commissioner Ruzek questioned if we have ever commissioned a study on the hotel needs in our community. Mr. Clark noted we could, but historically the hotel does this on their own before they decide to build.

Item #11. Adjournment: With no further business, motion by Commissioner Bednar, seconded by Commissioner Austin to adjourn the meeting at 5:02 pm. Carried 7-0.

Approved: _____

President: _____

Secretary: _____