

City of Fort Smith
Port Authority Meeting
11:30 a.m. Thursday, April 28, 2016
City of Fort Smith Administrative Offices
623 Garrison Avenue, Fort Smith, Arkansas

MINUTES

The Fort Smith Port Authority held its regular quarterly meeting at 11:30 a.m. on Thursday, April 28, 2016 at the City of Fort Smith's Administrative Offices, Room 315, 623 Garrison Avenue, Fort Smith, Arkansas.

The meeting was called to order by Larry Combs, Chairperson at 11:39 a.m. and a quorum was noted present. Port Authority members present were Larry Combs, Eddie Norman, Dustin Collyge, and Philip Doss. Commissioner Jeff Taake was absent. Others present were Marty Shell of Five Rivers Distribution and Jeff Dingman of the City of Fort Smith.

The minutes of the January 21, 2016 quarterly meeting were presented. The minutes were approved upon motion of Mr. Doss, which was seconded by Mr. Norman and carried by unanimous vote.

Mr. Shell of Five Rivers Distribution delivered the tonnage report for the First Quarter of 2016. Mr. Shell reviewed materials and tonnage reports for January, February, and March through the Ports of Fort Smith and Van Buren as provided to the members in their meeting packet. A total of 99,669.86 net tons of product moved through the Ports of Fort Smith and Van Buren in the First Quarter 2016, compared to 74,262.85 tons during the same period the previous year. Mr. Norman moved approval of the Tonnage Report. Mr. Shell noted that February was the highest month he's recorded for the Port of Fort Smith, due to exceptionally high volume of Urea. The motion was seconded by Mr. Doss and carried by unanimous vote.

Mr. Dingman reviewed the financial report for the First Quarter 2016, showing the summary of tonnage indicated above and associated revenues (from rent & royalties) and expenses to date. The Port Authority received \$4,316.37 from the operator for rent and royalties for the quarter. The Port Authority has unencumbered cash on hand of \$26,489.78. Mr. Dingman also reviewed the accounting of capital investment made by Five Rivers and associated reimbursement by the Port Authority. To date, Five Rivers has invested \$127,201.53 in improvements to the port facility. The Port Authority has reimbursed \$50,084.72 to date, including \$1,274.09 for the 1Q 2016, and still owes Five Rivers \$77,116.81. A motion to approve the Financial Report was made by Mr. Collyge, seconded by Mr. Norman and approved unanimously.

Mr. Shell delivered the Operator's Report, noting that the \$125K grant from the Arkansas Waterways Commission needs to be spent before June 30. The commission is inquiring about our spending of the money in time, and Mr. Shell opined that if we don't spend the money in time it could affect our ability to get future grants from the commission. As any portion of the bulk storage building project presents difficulty in scheduling and funding in that timeframe, Mr. Shell asked that the Port Authority request permission from the Arkansas Waterways Commission to use the funds to resurface the asphalt parking lot at the Port of Fort Smith facility. Specific authorization of the Port providing the required 10% match for the grant is also required. Mr. Norman moved to ask the Arkansas Waterways Commission for permission to change the stated purpose of the grant funds, and to authorize the Port Authority funding the 10% required match for the grant. Mr. Doss

seconded, and all present were in favor of making such request, so that the funds could be spent timely on a needed improvement to the facility.

The Port Authority discussed the potential of marketing the Port of Fort Smith property for sale. The Port Authority owns the property, and has the power to sell its property autonomously, without consent of the City, although it was the consensus that the support of the city would be sought for such a move. General discussion was had regarding the need for commissioning an appraisal and how such a sale would be structured. Further discussion was had regarding a long-term lease extension with the Port Operator, whereby the operator could make further improvements to the facility with assurance that it would be there long enough to realize the benefits of such investment. The Port Authority elected not to commission an appraisal of the property at this time, and no specific action was taken.

Mr. Shell noted that there would be a ribbon cutting at the Port of Van Buren on May 10, and that Port Authority members were invited. He also noted that the Arkansas Waterways Commission is scheduled to hold their regular quarterly meeting in Fort Smith on July 27, and that we would forward more information regarding that as he learned more. Mr. Combs mentioned that the city's new equalization tank on Navy Road should be painted to indicate the location of the Port of Fort Smith.

The next regular meeting of the Port Authority will tentatively be the last week of July, 2016, at the City Administrative office. There being no further business, the meeting adjourned at approximately 1:05 p.m.

Respectfully submitted,

A handwritten signature in black ink that reads "Jeff Dingman". The signature is written in a cursive style and is positioned above a horizontal line.

Jeff Dingman
Deputy City Administrator
City of Fort Smith, Arkansas