

City of Fort Smith
Port Authority Special Meeting
11:30 a.m. Thursday, November 17, 2016
City Administrative Offices, 5th Floor Conference Room
623 Garrison Avenue, Fort Smith, Arkansas

MINUTES

The Fort Smith Port Authority held a special meeting at 11:30 a.m. on Thursday, November 17, 2016 in the 5th Floor conference room of the City Administrative offices, 623 Garrison Avenue, Fort Smith, Arkansas.

The meeting was called to order by Larry Combs, Chairperson at 11:44 a.m. and a quorum was noted present. Port Authority members present were Larry Combs, Eddie Norman, Dustin Collyge, Jeff Taake, and Philip Doss. Others present included Marty Shell and Wesley Dennis of Five Rivers Distribution as well as Jeff Dingman of the City of Fort Smith. Mr. Philip Bagby was also in attendance.

Mr. Combs introduced Unfinished Business the consideration of a Lease Agreement with Five Rivers Distribution for the Port of Fort Smith property at 200 Navy Road. Such agreement is proposed for a term of 30 years, effective beginning January 1, 2017, and containing provisions for two five-year extension terms. Such lease also specifies rent of \$3,000 per month, with provisions for adjustment based on comparison to the Consumer Price Index. For the first 48 months of the lease term, net rent payment of \$1500 per month will be payable to the Port Authority as rent, the balance of the \$3,000 to be applied toward reimbursement of Five Rivers Distribution for specific capital improvements made to the port premises since 2008. Mr. Dingman explained that he and Mr. Doss met with Mr. Shell at the direction of the Port Authority from its October 27 meeting to discuss terms of the agreement, including concerns presented by City Attorney Jerry Canfield and Mr. Shell's attorney Mr. Bagby. Mr. Bagby acknowledged some discussion with Mr. Canfield, and that the terms of the agreement were satisfactory to him and his client. Mr. Dingman indicated that Mr. Canfield was also satisfied with the agreement. Mr. Norman moved that such agreement be approved by the Port Authority, and Mr. Taake seconded. The motion carried by unanimous vote.

Mr. Combs invited discussion on the first item of New Business regarding confirmation of officers of the City of Fort Smith Port Authority Commission. Mr. Dingman noted that the enabling state legislation and the corresponding provisions of the Fort Smith Municipal Code indicate that both a treasurer and the chair of the Port Authority sign warrants/checks for the Port Authority's expenses, and that the Port Authority has an annual financial reporting responsibility to the City of Fort Smith. Therefore, a treasurer needs to be named, as should a vice-chair. Mr. Norman moved that Mr. Collyge be named Treasurer for the Port Authority. Mr. Taake seconded, and the motion carried unanimously. Subsequently, Mr. Norman moved that Mr. Doss be named Vice-Chair for the Port Authority. Mr. Taake again seconded, and the motion carried by unanimous vote.

The Port Authority considered a Resolution authorizing the establishment of at least two bank accounts in the name of the City of Fort Smith Port Authority for purposes of receiving grant funds and for general operations. Such action would remove the current process of funneling Port Authority revenues and expenses through the treasury of the City of Fort Smith, as well as comply with the Arkansas Waterways Commission's requirement that funds granted to the Port Authority by the Commission be administered through a separate and specific bank account. Mr. Norman moved approval of Resolution No. 2016-03, and

Mr. Doss seconded. The motion carried by unanimous vote. Subsequently, Mr. Collyge moved that two such bank accounts be established at the Bank of the Ozarks. Mr. Norman seconded, and the motion carried. The discussion following indicated that the Port Authority would be ready to accept all future rent payments and other revenues in the new accounts as soon as is practicable after establishment of the accounts, whether submitted by paper check or by Electronic Fund Transfer. Mr. Shell indicated that his staff would discuss future methods of rent submittal with Mr. Doss.


There was discussion regarding historical expenses of the Port Authority, and how some expenses were paid by the City Administrator's program of the City of Fort Smith budget. The action of separating the Port Authority treasury from the City of Fort Smith treasury will lend greater transparency to the expenses of the Port Authority, and greater accountability on the Port Authority for management of its finances.

The Port Authority considered a Resolution authorizing the Chair, or Mr. Shell as the Chair's designee, to apply for Arkansas General Improvement Fund grant funds through the Western Arkansas Planning & Development District (WAPDD) for purposes of improvements to the Port of Fort Smith. Any such grant funds received would be deposited into the Port Authority's operations account and used for the reasons specified in the grant application, which include capital improvements to the facility. The deadline for submittal of such grant application is November 23. Mr. Doss moved approval of Resolution No. 2016-04. Mr. Collyge seconded and the motion carried by unanimous vote.

Mr. Shell relayed that the Arkansas Waterways Commission awarded just over \$163,000 to the public Port of Fort Smith based on the Port Authority's grant application at its November 1 meeting. The sum requires a 10% match, which will be provided by Five Rivers Distribution. The funds will be used to pay design fees and initiate site preparation for the bulk storage building that has been in discussion for many months, with applications for subsequent grants planned for the remainder of the project. A formal letter from the Arkansas Waterways Commission is forthcoming, and an Awards Ceremony recognizing the recipients of the grants awarded by the Arkansas Waterways Commission will be held in the Governor's Reception Room on the 2nd floor of the Arkansas State Capitol in Little Rock at 10:30 a.m. on Friday, December 16, 2016. Members of the Port Authority are invited to the ceremony and encouraged to attend.

The next regular meeting of the Port Authority will tentatively be the last week of January, 2017. There being no further business, Mr. Combs declared the meeting be adjourned at 12:30 p.m. upon motion by Mr. Norman, a second by Mr. Taake, and a unanimous vote.

Respectfully submitted,



Jeff Dingman
Deputy City Administrator
City of Fort Smith, Arkansas