

Port of Pasco Commission
Minutes of Regular Meeting of Port Commission
Held at Port of Pasco, 1110 Osprey Pointe Blvd, Suite 201, Pasco, WA 99301
November 8, 2018 | 10:30 a.m.

CALL TO ORDER

Commissioner Ryckman called the meeting to order at 10:30 a.m.

Present: Commissioner Jean Ryckman, Commissioner Jim Klindworth, Commissioner Vicki Gordon, Executive Director Randy Hayden, Port Counsel Dan Hultgrenn, Director of Airports Buck Taft; Director of Properties Mayra Reyna, Director of Economic Development Gary Ballew, Director of Finance Donna Watts, Deputy Director of Airports Don Faley, Human Resources Vicky Keller and Administrative Assistant Audrey Burney

Guests: Commissioner Brad Peck – Franklin County, Steve Horton – Leibowitz & Horton

APPROVAL OF AGENDA

Commissioner Klindworth moved and Commissioner Gordon seconded to approve the agenda with item 8.J. Meier Fee Increase for Battelle Hangar added. Motion carried unanimously.

CONSENT AGENDA

- a) Regular Meeting Minutes of October 25, 2018.
- b) Special Meeting Minutes of November 7, 2018.
- c) Vouchers and Warrants #90929 - 91030 in the amount of \$1,640,297.42.
- d) BPIC Paving Warehouse St – Accepted as Complete.

Commissioner Gordon moved and Commissioner Klindworth seconded to approve the consent agenda as presented. Motion carried unanimously.

ITEMS FOR ACTION/CONSIDERATION

2019 – 2021 Capital Budget – Staff presented the 2019 – 2021 Capital Budget plan for Commission review.

ITEMS FOR DISCUSSION

Rates & Charges – Mr. Taft updated Commissioners that staff has been working with Steve Horton on the reconciliation of 2017 rates and charges, the 2018 rates and charges will be reconciled once staff has received the audited numbers, and the 2019 rates and charges will be discussed in executive session.

Land Acquisition – Staff informed Commissioners that they have spoken to a broker about land purchases.

RECESS

At 11:55 a.m., Commissioner Ryckman recessed the meeting for fifteen minutes for lunch. At 12:10 p.m. the meeting was reconvened.

EXECUTIVE SESSION

At 12:10 p.m., Commissioner Ryckman announced the board would go into executive session for forty-five minutes to consider minimum price at which real estate will be offered for sale or lease and to consider the selection of a site or the acquisition of real estate by lease or purchase. At 12:55 p.m., Mr. Taft announced on behalf of the Port of Pasco Commissioners that the executive session would be extended for an additional five minutes. At 1:00 p.m., the meeting reconvened.

ITEMS FOR ACTION/CONSIDERATION

2019 – 2021 Capital Budget, Continued – Staff continued the 2019 – 2021 Capital Budget review with Commissioners.

Battelle Hangar Award – Mr. Faley informed Commissioners that the PNNL Aircraft Hangar bid opening is November 14. Due to the time of year that this project will be starting, staff requested commissioner approval to award the construction of the PNNL Aircraft Hangar.

Commissioner Ryckman moved and Commissioner Gordon seconded to authorize the Executive Director to award the construction of the PNNL Aircraft Hangar to the lowest bidder, as long as the bid is no higher than 10% above the architects estimate and the Port Finance Director agrees that the Port has funds available for this project. Motion carried unanimously.

Taxiway Alpha Change Order – Mr. Faley reiterated that there is an existing FAA Fiber Optic Cable crossing under the new portion of Taxiway A. JUB has worked with FAA engineering on the design for a reinforced concrete encasement of this fiber line throughout the Airport's reimbursable agreement with the FAA.

In the original plans for this project, JUB designed a 120 foot concrete encased duct bank. The FAA had them redesign it to be 228 feet reinforced concrete encased duct bank, which increased the price from the original bid price due to the additional concrete and the steel for reinforcement. The redesign also caused a change to the storm water collection system in this area. An additional drywell and additional storm drain pipe feeding the drywell is required due to this change.

Total price for this change order is \$93,873.36 including Washington State Sale Tax. The original contract for this project was \$9,333,201.51. The revised price, with this change order, will be \$9,427,074.87.

Commissioner Klindworth moved and Commissioner Gordon moved to authorize the Executive Director to sign the change order #1 for the Taxiway A project for \$93,873.36, including sales tax. Motion carried unanimously.

Parking RFQ – Mr. Taft reported that the current parking lot agreement expires February 2019. Staff received two proposal: Republic Parking and Standard also known as SPPlus. The proposals were evaluated and final rankings are as follows:

Criteria	Minimum Points Available	Republic Score	Comments	Standard Score	Comments
1. The sum total of the MMG and Concession Fee Percentages	120	95		116.5	
2. Previous background with respect to minimum qualifications	80	80		80	
3. Quality of proposer's operating performance and compliance with operating requirements	40	40		35.3	
4. Adequacy of the proper's revenue control	40	40		22	
5. Previous background/history of default, arrearage or inadequate performance at our	20	20		20	
6. Previous background/history of default, arrearage or inadequate performance with other airports	20	20		20	
7. Previous background/history of employment practices such as wages and benefits for each level of employee	80	64		41	
	400	359		334.8	

Commissioner Gordon moved and Commissioner Klindworth seconded to accept the proposal from Republic Parking to manage the Tri-Cities Airport Parking lot and authorize the Executive Director to enter into an agreement with Republic Parking. Motion carried unanimously.

CBC Farm Lease – Mr. Taft reported that Columbia Basin College would like to continue leasing 19 acres of land, off of Road 44 for farming education and research. CBC is currently paying \$531.39 per year for the property. This rate was based on the large investment CBC has made and continues to make to prepare the land, irrigate it, and clean up and maintain the property. The land is not revenue producing for CBC, it is used for education and research and is critical to the Ag program. The Port's partnership with CBC in this agreement benefits the community and enhances the working relationship between CBC and the Port of Pasco.

Staff is recommending a CPI increase on the annual rent, increasing it to \$577.10 per year. CBC would like to continue the agreement with the bond requirement being waived.

Port staff also recommended CBC replace the sign that advertises the partnership between the Port of Pasco and CBC.

Commissioner Ryckman moved and Commissioner Klindworth seconded to approve the agreement with the annual lease rate of \$577.10, to waive the security bond requirement, to require CBC to replace the sign advertising the partnership between the Port of Pasco and CBC and to delegate signing authority to Executive Director. Motion carried unanimously.

Franklin County Engineering – Commissioner Klindworth moved and Commissioner Gordon seconded to authorize the Executive Director to execute a lease with Franklin County for a term of 5 years for Building 1-86 located at the corner of Stearman and Argent Street, at a current rate of \$3,932.25 for the building and land, with the security deposit waived per RCW 53.08.085. Executive Director shall also be authorized to make minor changes to the lease, with approval by the Port attorney, as may be needed to finalize the agreement. Motion carried unanimously.

Propak Logistics, Inc. – Propak Logistics, Inc. has two leases that are due to expire at the end of 2018. Propak prefers short-term leases, however, these leases will be for 5-year terms, in order to

take advantage of the 7% incentive discount that we offer for signing long-term leases. There will be a CPI adjustment after the 3rd year.

There are two modifications to the leases that Propak has requested:

- Maintenance language – they want to add “Ordinary wear and tear excepted” and “Reasonable”.
- Indemnification Article – they would like to keep the language that is in their current leases.

Commissioner Gordon moved and Commissioner Klindworth seconded to authorize the Executive Director to execute both leases with Propak Logistics, Inc. with the indemnification language as provided and with approval to make minor changes regarding the maintenance clause to better protect the Port’s interests, with approval by the Port attorney, as may be needed to finalize the agreement. Motion carried unanimously.

Salary Matrix – Commissioner Klindworth moved and Commissioner Gordon seconded to approve the updated salary ranges for the Port of Pasco Administration and Management positions effective January 1, through December 31, 2019, and confirm the authority of the Executive Director to make salary adjustments for administration and management personnel within the salary ranges as listed. Furthermore, Commissioners confirm they retain salary action authority for the Executive Director and Director of Finance/Auditor, and they would like the Executive Director and Director of Finance/Auditor positions deleted from the Salary Matrix. Motion passed unanimously.

**2019
Port of Pasco Salary Ranges**

Position	Minimum	Maximum
Director of Airports	106,600	160,500
Deputy Director of Airports	86,500	123,500
Director of Economic Development and Marketing	94,250	132,500
Director of Properties	94,250	132,500
Facilities Engineer	64,500	87,800
Administration and Human Resource Generalist	61,000	94,900
Senior Accountant	54,000	75,600
Accounting Clerk	46,500	64,700
Maintenance Supervisor	67,000	97,800
Police Chief/Terminal Manager	67,000	99,000
Police Sergeant	61,800	82,900
Law Enforcement Officer	52,000	72,000
Business Manager	54,000	75,300
Admin Assistant/Property Leasing Associate	45,000	62,200
Administrative Assistant/Receptionist	40,200	56,600

Meier Fee Increase For Battelle Hangar – Mr. Hayden reported that Meier’s Architect fee was initially increased by \$45,000 to cover the estimated additional work needed to reduce the scope of the construction and re-bid the project. Now that the redesign work is complete with actual costs in hand, Meier is requesting and staff is recommending that an additional \$20,000 be added to Meier’s fee for a total increase of \$65,000.

Commissioner Ryckman moved and Commissioner Klindworth seconded to approve the additional \$20,000 fee increase, from \$45,000 to \$65,000. The total cost of A/E fees for the project is \$215,000. Motion carried unanimously.

ITEMS FOR DISCUSSION

Director Report:

1. Economic Development and Marketing

- a. Local developer is requesting the Port to sign a Memorandum of Understanding regarding negotiations on three separate parcels in the Airport Business Center.
 - i. Airport Business Park site: corner site for multi-tenant retail building, a back lot for a multi-tenant light industrial, and a hangar lot.
 - ii. 120 Days for negotiation

Commissioner Ryckman moved and Commissioner Gordon seconded to authorize the Executive Director to sign a 120 day Memorandum of Understanding. Motion carried unanimously.

- b. Gary and Randy met with Eaty Gourmet regarding the Osprey Pointe development plans and offered the following summary of the meeting:
 - i. Their vision for the property is a bold vision.
 - ii. Staff is needing a better understanding of their financial backing.
 - iii. Staff needs confidence that they can bring their vision to fruition.
 - iv. Eaty Gourmet is refining their plan and would like to meet with staff and a Commissioner for their vision discussion.
 - v. Staff believes that they will need more time to work on their concept and they won't be ready by January to present their plan.

c. EDM Report:

- i. Port Beacon – it is currently a hard copy newsletter primarily distributed as an insert in the Tri-City Herald. The information and articles present the Port well, but the distribution method might not provide the most awareness to our target audience.
 1. Each run of the Beacon runs the Port \$10,000.
 2. Staff did a survey in the last Beacon asking how people would prefer to receive the newsletter. Staff had limited response and it was not a significant sample, but people did note a preference for e-mail. Staff has also heard from various sources the importance of blogging.
 3. Staff is proposing to continue the existing distribution of the Beacon but also converting the articles to blogs distributed via social media and e-mail.

September 2018 Financial Statement – Mrs. Watts discussed the September Financial Statement.

3rd Quarter Financial Statements – Mrs. Watts discussed the 3rd Quarter financial Statements.

Tenant Delinquent List – Mrs. Watts discussed the Tenant Delinquent List.

Foster Wells Land Sale – Update – Mrs. Reyna reported that staff has received a few inquiries for land at the Foster Wells Business Park.

Director Reports:

1. Executive Director
 - a. Has reached out to Columbia River Irrigators Association and IPNG in regards to arranging a meeting to discuss efforts on an ESA Exemption for the federal hydropower system dams on the Columbia/Snake rivers.
 - b. Manitowoc Crane – staff has gotten an offer through the Auctioneer. The offer is \$125,000. Commissioners asked staff to counter offer \$150,000.
2. Airport Director
 - a. Airline Updated Stats
 - i. Airport is up 7% for the month and up 3% for the year
 1. Alaska is up 26%
 2. Allegiant is down 8%
 3. Delta is down 13%
 4. United is up 52%
 - b. Alaska is starting to increase over their poor fourth quarter in 2017 because of the pilot shortage. Delta’s decrease of 13% is result of an exceptional October 2017 when they were carrying a good portion of Alaska’s stranded Seattle passengers.
 - c. Staff is gearing up for a busy November. TSA is estimating record-breaking numbers and the Parking lot is already looking good.
 - d. Staff has adjusted the parking blocks in the overflow lot to prepare for the holiday season.
 - e. Battelle is looking to get rid of the old flight simulator as they transition to a new aircraft. Mr. Taft has reached out to the Old Tower Museum to see if they are interested and has not heard back yet.
 - f. Has a meeting with United Airlines on January 7th and 8th.
 - g. Presented the back drops that Gary and him decided on for press releases
3. Deputy Director
 - a. Second week of December there will be testing of the Inline Baggage System.
4. Finance Director
 - a. Thanked the Commission for trusting her and having her work at the Port of Pasco.
5. Commissioners Reports
 - a. Commissioner Gordon
 - i. Attended the Columbia Basin Development league Meeting on November 1 and learned important information about the Project.
 - ii. Attended the first Airport Master Plan PAC meeting (Master Plan Advisory Committee) at the Airport. They are quarterly meetings.

CALENDAR OF EVENTS

Commissioners and staff discussed the calendar of events.

EXECUTIVE SESSION

At 3:08 p.m., Commissioner Ryckman announced that the board would go into executive session for forty-five minutes to review the performance of a public employee. At 3:53 p.m. the meeting reconvened.

ITEMS FOR ACTION/CONSIDERATION

Performance Evaluations – Commissioner Ryckman moved and Commissioner Gordon seconded to approve increasing the Finance Director/Auditor’s salary to \$116,388.00, effective January 1, 2019. Motion passed unanimously.

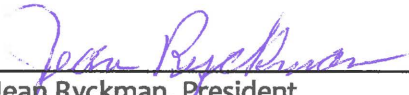
Commissioner Gordon moved and Commissioner Klindworth seconded to approve the Executive Director’s salary adjustment to \$185,676 effective January 1, 2019, with an additional deferred compensation to be decided before July 1, 2019. Motion passed unanimously.

Manitowoc Crane – Commissioner Klindworth moved and Commissioner Gordon seconded to accept the bid from Hall Industrial Services to purchase the Manitowoc crane for \$125,000 pending a final site visit by the purchaser. Motion carried unanimously.

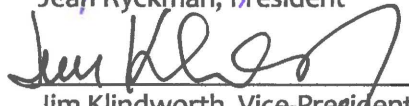
ADJOURNMENT

The meeting adjourned at 3:59 p.m.

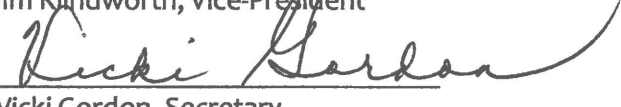
Port of Pasco Commission:



Jean Ryckman, President



Jim Klindworth, Vice-President



Vicki Gordon, Secretary

