

Port of Pasco Commission
Minutes of Regular Meeting of Port Commission
Held remotely and in person with Public Access
Port of Pasco, 1110 Osprey Pointe Blvd., Ste. 201, Pasco, WA
December 9, 2024 | 10:30 a.m.

CALL TO ORDER

Commissioner Ryckman called the meeting to order at 10:30 a.m. The meeting was attended in person and remotely via Zoom with Public Access through call in to 1-301-715-8592, meeting ID 6676918983.

Present: Commissioner Jean Ryckman, Commissioner Jim Klindworth, Commissioner Vicki Gordon, Executive Director Randy Hayden, Attorney Heidi Ellerd; Airport Director Buck Taft, Deputy Airport Director Don Faley, Finance Director Donna Watts, Director of Properties Mayra Reyna, Director of Economic Development and Marketing Stephen McFadden, and Senior Accountant Diana Newman.

Guests: Matt Beaton- Franklin County Auditor, Rosa Cano, Eric Badger of Lynden LTI, Andrew Flabetich of HUB Insurance, Jed Crowther Former Director of Port of Arlington, Jim Arneson, Tiffany Alviso, Tanya Bowers, Micheal Neuenschwander, Wendy Culverwell, Russ Christman of MacKay Sposito, Cole Crapps of Field Group, Ben Hoppe of JUB, Eric Badger of Lynden LTI, Kellee Balcom.

APPROVAL OF AGENDA

Commissioner Gordon moved and Commissioner Ryckman seconded to approve the agenda as presented. Motion passed unanimously.

CONSENT AGENDA

- a) Regular Meeting Minutes of November 13, 2024
- b) Special Meeting Minutes of November 12, 2024
- c) Vouchers and Warrants #103237- 103345 and Direct Deposits #24878- 24920 in the amount of \$1,269,835.06 for the General Fund. Vouchers and Warrants #103346- 103397 and Direct Deposits #24921- 24963 in the amount of \$543,133.36 for the General Fund.

Commissioner Klindworth moved and Commissioner Gordon seconded to approve the consent agenda. Motion passed unanimously.

PUBLIC CITIZEN COMMENT

Tiffany Alviso expressed her appreciation for the Jim Klindworth years of service.

PUBLIC HEARINGS AND RESOLUTIONS

Resolution 1641- A Resolution of Recognition- Mr. Beaton was in attendance to present a certificate from the Secretary of State and Franklin County recognizing Jim Klindworth's 37 years of service to the Port of Pasco and Franklin County as a Port Commissioner.

Commissioner Ryckman moved and Commissioner Gordon seconded to adopt Resolution 1641- A Resolution of Recognition for Commissioner Jim Klindworth. Motion passed.

Resolution 1642- Resolution for the City of Connell CERB Grant – Mr. McFadden presented, due to the Lamb Weston potato processing facility closure in the City of Connell the Port and other local agencies have been working together to provide assistance to the community of Connell. Community leaders recommended seeking a CERB Grant (Community Economic Revitalization Board) that would allow a comprehensive economic development analysis to aid in finding a long-term solution to add employment opportunities back to Connell. The Port of Pasco offered to be the lead agency and to cover a portion of the grant match requirement, as well as serve as the grant administrator. This would be a \$20,000 investment from the Port and a \$5,000 investment from Avista Corporation, qualifying for a \$100,000 industrial site readiness grant from CERB.

Commissioner Klindworth moved and Commissioner Gordon seconded to approve Resolution 1642- City of Connell CERB Grant and authorize the Port of Pasco to cover the required grant match for this project. Motion passed unanimously.

Jed Crowther spoke of his years in Connell and a study that was conducted previously that might be helpful for this future project.

Resolution 1643- 2025 Airport User Fees- Mr. Taft presented Resolution 1643, updating user fees for the Tri-Cities Airport for 2025. This resolution is updated annually, and the 2025 changes include increases for the Taxi License Fee, Turn Fee, and Airline Ticket Counter Shared Use Fee. The Lost Parking Ticket Fee would be eliminated since tickets are no longer required for payment with the newly installed automated system.

Commissioner Gordon moved and Commissioner Klindworth seconded to approve Resolution 1643- 2025 Airport User Fees. Motion passed unanimously.

ITEMS FOR ACTION

2025 Strategic Plan – Mr. Hayden presented the 2025 Strategic Plan with the updates discussed at the November Commission Meeting, for Commission approval.

Commissioner Klindworth moved and Commissioner Gordon seconded to approve the 2025 Strategic Plan. Motion passed unanimously.

Gordon Thomas Honeywell Government Relations Contract for 2025 – Mr. Hayden presented a request for an extension of the contract with Gordon Thomas Honeywell for state lobbying services to assist with ongoing and upcoming capital budget requests as well as support for issue areas important to the Port.

Commissioner Gordon moved and Commissioner Klindworth seconded to authorize the Executive Director to extend the contract with Gordon Thomas Honeywell for state lobbying services for the 2025 calendar year. Motion passed unanimously.

Lynden LTI PSA for North Reimann – Mr. McFadden presented the request from Lynden LTI for a Purchase and Sale Agreement for 14.5 Acres at the Reimann Industrial Center. Mr. Badger of Lynden LTI was in attendance to give a presentation on the proposed project that will be constructed at North Reimann.

Commissioner Gordon moved and Commissioner Klindworth seconded to authorize the executive director to execute the purchase and sale agreement with Lynden Transfer for the purchase of 14.5 acres at the Reimann Industrial Center for an amount of \$2,175,000. Further move to authorize the Executive Director to execute the agreement with minor changes following review by the Port attorney. Motion passed unanimously.

2025 Insurance Renewals – Ms. Watts introduced Mr. Flabetich of HUB Insurance who was in attendance to provide the 2025 the insurance renewals for General Excess Liability, Crime, Marine Liability, Marine Excess Liability, and Airport Liability.

Commissioner Klindworth moved and Commissioner Gordon seconded to approve the 2025 insurance policies for policy year effective December 31, 2024, to December 31, 2025, for (General Excess Liability), Crime, Marine Liability, Marine Excess Liability, and Airport Liability for a not-to-exceed amount of \$275,000. Motion passed unanimously.

Terminal Project Bids – Mr. Taft presented, Staff received bids for the Tri-Cities Airport Ticket Counter and Gate 2 Renovations. This project would have added an additional gate kiosk and ADA ramp at Gate 2 and finished out the American Airlines ticket counter including all associated equipment. All three bidders were significantly higher than the engineer's estimate. Upon review of the bids the biggest outlier was a 12 ft section of baggage conveyor belt that needed to be added to the American Airlines Ticket Counter. Staff is proposing to complete the ticket counter only at this time and add the baggage conveyor belt portion to a later project.

Commissioner Klindworth moved and Commissioner Gordon seconded to reject all bids for the project, at this time. Motion passed unanimously.

Mead & Hunt Car Wash Facility – Mr. Faley presented, staff is working with Mead & Hunt on the design, bidding and construction management of the Rental Car Quick Turn Around Facility. The original scope of work covered the design of parking lot area, fueling stations, and construction administrative services. In the time since the project was designed there have been changes in the code requirements, including the State's energy code, and the project will have to be updated. Mead & Hunt's fee proposal for the additional scope of work, for the Rental Car Quick Turn Around Facility, is \$171,449.00. The previous contract amount with Mead & Hunt was \$538,424.00. The revised contract amount with Mead & Hunt, for Amendment 1, is \$709,873.00.

Commissioner Klindworth moved and Commissioner Gordon seconded to authorize the Executive Director to sign Amendment 1, of the PSC Rental Car Quick Turn Around Facility Design Project, with Mead & Hunt for \$171,449.00, with a revised contract amount for \$709,873.00. Motion passed unanimously.

Wheelhouse Events Center Lease Request – Ms. Reyna presented, Wheelhouse Events is a start-up company that has been working on the remodeling of the building "over the water" (Bldg. 300). They are now ready to sign a long-term lease to open the event center but are asking the port for a reduction in rent and 3 months of rent to be waived. Ms. Reyna discussed the reasons for the rent reduction, they include the tenant's work on renovating the building, an error in the posted lease rate due to incorrect square footage, and the significant challenges during the renovation process.

Commissioner Gordon moved and Commissioner Ryckman seconded to authorize the Executive Director to enter into a lease agreement with Wheelhouse Events LLC for the premises located at 1350 SE Road 20, Building 300, at an amended rate of \$0.5041 per square foot for a term of 5 years with 2 options to extend for 5 years each. This lease shall include two months' rent waived as well as a price adjustment after the third year based on a market analysis to determine the current market value. This decision is based on the increased value of the building following its remodel, which will attract more of our community to visit the port and aligns with the Port's strategy of fostering economic development through a more diversified tenant base, while supporting the growth of local, small, minority-owned businesses. Additionally, the Executive Director is authorized to make minor adjustments to the lease, subject to approval by the Port attorney, as necessary to finalize the agreement. Motion passed unanimously.

Premier Industrial Support Rent Credit Request – Ms. Reyna presented, earlier in 2024, Premier Industrial Support signed a 5-year lease for Warehouse 6, Bay 4. The lease payment structure was unique, as Port Commissioners approved a deferment of partial rent payments, with a large lump sum due in April. However, upon moving into the space at the beginning of October, there was a several week delay due to the process of connecting 3-phase power, which required work from two electrical contractors, the Port and Franklin PUD. The 3-phase power was successfully installed and operational on October 25th, and Premier is requesting a half-month rent credit due to the inability to operate their manufacturing processes during the period when 3-phase power was not available. Premier has invested time and money into bettering the space, increasing the overall value of the Port's property.

Commissioner Klindworth moved and Commissioner Gordon seconded to grant Premier Industrial Support a rent credit of up to \$3,426.84 due to the inability to commence manufacturing, as well as to compensate for tenant improvements provided by the tenant, with the full Leasehold Tax still due. This decision is based on the increased value of the building from the installation of upgraded electrical wiring and the relocation of racking, which supports the Port's strategy of fostering economic development through a diversified tenant base and promoting the growth of local, small businesses. Motion passed unanimously.

Administrative Salary Range Matrix- Mr. Hayden and Ms. Watts presented the 2025 Administrative Salary Range Matrix. The CPI from July 2023-July 2024 was 2.9% and factoring in the change in other benefits costs, the 2025 amount for the union salary increase will 3.38% under the usual burden formula. While administration and management personnel are not represented by the union contract, we have historically used the same formula to determine wage increases for non-union employees. Per Commission action in 2018, the Executive Director and Finance Director/Auditor are not included in the range.

The 2025 Salary Range Matrix is as follows:

Position	Minimum	Maximum
Airport Director	126,000	205,200
Director of Economic Development and Marketing	109,000	186,000
Director of Properties	106,000	164,000
Airport Deputy Director	102,500	153,000
Police Chief/Terminal Manager	109,000	158,000

Facilities Manager	81,500	121,500
Project Manager	90,000	120,000
Facilities Engineer	77,000	115,500
Human Resources Director & Executive Assistant	78,000	105,000
Business Manager	66,000	98,500
Senior Accountant	66,000	98,500
Staff Accountant	55,000	80,000
Office Administrator	48,500	72,500
Administrative Assistant/Receptionist	48,500	72,500

Commissioner Ryckman moved and Commissioner Gordon seconded to approve the attached salary ranges for the Port of Pasco administration and management positions effective January 1, 2025, through December 31, 2025, 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 Finance Director / Auditor. Motion passed unanimously.

Performance Evaluation for the Executive Director and Finance Director/Administrator- Performance evaluations for the Executive Director and Finance Director/Auditor were performed in Executive Session.

After the Executive Session, the Commission directed Ms. Watts to have a salary of \$185,000 and Mr. Hayden to have a salary of \$270,00 for the 2025 year. Motion passed unanimously.

ITEMS FOR DISCUSSION

October Financial Statement – Ms. Watts presented the October Financial Statement for discussion.

Tenant Delinquent List – Ms. Watts presented the Tenant Delinquent List for discussion.

2024 Building Occupancy Report – Ms. Reyna presented the 2024 Building Occupancy Report for discussion.

Commission District 3 Vacancy – Mr. Hayden provided an overview of the Port’s efforts to advertise and fill the upcoming District 3 Commission vacancy and reviewed the process to fill a vacancy. Mr. Hayden presented several items for Commission discussion. The Commission would like to begin conducting interviews during the month of December and will provide additional direction at a later date.

Director Reports:

1. Executive Director
 - a. Mr. Hayden went over the Executive Director transition process and interview process.
2. Airport Director
 - a. Mr. Taft discussed the October Airport Activities Report.
 - b. Mr. Taft discussed the Airport Digital Activity Report.

3. Airport Deputy Director
4. Finance Director
5. Director of Economic Development and Marketing
 - a. Mr. McFadden provided the EDM Report and the Digital Analytic Report.
6. Director of Properties
 - a. Ms. Reyna provided the Property Activities Report.

CALENDAR OF EVENTS

Commission and staff discussed the calendar of events.

RECESS

At 12:07, Commissioner Ryckman recessed the meeting for lunch for 23 minutes, until 12:30. At 12:30, the meeting was resumed.

At 1:43, Commissioner Ryckman recessed the meeting for 5 minutes, at 1:48, the meeting was resumed.

EXECUTIVE SESSION

At 1:50, Commissioner Ryckman called an executive session for 30 minutes, until 2:20, to consider the selection of real estate for purchase, and to review the performance of a public employee. At 2:20, the executive session was extended for 5 minutes, until 2:25. At 2:25, the regular meeting was resumed.

ADJOURNMENT

At 2:30, the meeting was adjourned.

Port of Pasco Commission:


Jean Ryckman, President


Vicki Gordon, Secretary