

**PORT OF PASCO COMMISSION**  
**Minutes of Regular Meeting of Port Commission**  
**Held at 1110 Osprey Pointe Blvd., Suite 201, Pasco, WA 99301**  
**February 12, 2015**

**CALL TO ORDER**

The Commission President called the regular meeting to order at 10:30 a.m.

**ROLL CALL**

The following were:

**Present:** Commissioner Jim Klindworth, Commissioner Ron Reimann, Commissioner Jean Ryckman, Port Counsel Dan Hultgrenn, Executive Director Randy Hayden, Director of Finance and Administration Linda O'Brien, Director of Airports Ron Foraker, Director of Properties and Development Sam Good, Director of Economic Development & Marketing Gary Ballew, Business Manager Tara White, and Administrative Assistant Audrey Burney

**Guests:** Josh White – Xipe Inc., George Fox – Fox & Company, Dave Robison – Strategic Management and Kristi Pihl – Tri-City Herald

**APPROVAL OF AGENDA**

Commissioner Ryckman moved and Commissioner Reimann seconded to approve the agenda. Motion carried unanimously.

**GENERAL ADMINISTRATION**

iPad Training – Mr. White from Xipe Inc., provided an overview to commissioners and staff in how to operate the Apple iPads that were distributed at the meeting and are for Port of Pasco business use only.

**ENGINEERING AND CONSTRUCTION**

Terminal Building Expansion Project Update – Mr. Foraker showed current construction pictures of the expansion at the Tri-Cities Airport. Mr. Foraker informed Commissioners on the newly installed traffic signs, and speed limit signs, to help with traffic safety and minimize congestion in front of the terminal. Mr. Robison informed the Commissioners that the Airport project is currently on schedule. Mr. Robison also discussed a request from project Contractor Bouten Construction to use \$45,000 of the project risk contingency account to cover unforeseen costs in the steel detailing. If the request is approved, there would be \$633,783 remaining in the account. Commissioner Ryckman moved and Commissioner Reimann seconded to authorize the Executive Director to sign risk contingency allocation #1 in the amount of \$45,000. Motion carried unanimously.

**RECESS**

At 12:00 p.m. Commissioner Klindworth recessed the meeting for fifteen minutes for lunch. At 12:15 p.m. the meeting was reconvened.

**EXECUTIVE SESSION**

At 12:15 p.m., Commissioner Klindworth announced that the board would go into executive session for forty-five minutes to discuss with legal counsel representing the agency to consider; the minimum price at which real estate will be offered for sale or lease, consideration of the selection of a site or the acquisition of real estate by lease or purchase, to evaluate the qualifications of an applicant for public employment or to review the performance of a public employee, and potential litigation to which the agency, the governing body, or a member acting in an

official capacity is, or is likely to become, a party. At 1:00 p.m. Mr. Foraker on behalf of Commissioner Klindworth announced the meeting would be extended an additional five minutes. At 1:05 p.m. the regular meeting was reconvened.

## **RECESS**

At 1:05 p.m. Commissioner Klindworth recessed the meeting for fifteen minutes. At 1:20 p.m. the meeting was reconvened.

## **ENGINEERING AND CONSTRUCTION**

Terminal Building Expansion Project: Concessions – Mr. Foraker, Ms. O'Brien, and accounting consultant George Fox briefed Commissioners on the negotiations with Florentyna's to arrive at a settlement for an early termination of Florentyna's concession lease at the Tri-Cities Airport. A verbal agreement was reached that includes a \$270,000 settlement for the remaining term of the lease from September 1, 2015 through January 31, 2017, lowering the percentage of gross rent on pre-secure restaurant sales from a rate of 7 percent to 4 percent for January 1, 2015 through August 31, 2015, and paying for half of the direct costs related to the lease negotiations. Staff recommended approval of the lease termination agreement as fair compensation for the shortened lease. Commissioner Reimann moved and Commissioner Ryckman seconded to approve the lease termination agreement as presented and to authorize the Executive Director to sign the agreement. Motion carried unanimously. Commissioner Klindworth noted that the Port has had a long and valuable relationship with Florentyna's throughout the years and is pleased that we have reached an agreement that has both parties parting on a good note.

## **CONSENT AGENDA**

- a) Regular Meeting minutes of January 22, 2015.
- b) Vouchers & Warrants – 82491 – 82584 in the amount of \$663,756.45.
- c) Executive Director Delegation of Authority when absent from Port.
- d) Resolution 1404, Updating name of agent to receive claims against district.

Commissioner Ryckman moved and Commissioner Reimann seconded to approve the consent agenda as published. Motion carried unanimously.

## **AIRPORT**

Bergstrom Aircraft Fly-in Day – Mr. Foraker informed the Commission that Bergstrom is planning a "Warbird 'fly-in' & Bomber Boogie" on Saturday, June 13 from 5 p.m. to 10 p.m. with static aircraft displays, live-music, kid activities, food vendors and beer and wine garden. Mrs. Bergstrom is planning to use the ramp area between Hangar #142 and Hangar #72 for the events and all entrance fees and sales will be to benefit the "Save the Naval Air Station Control Tower". Mr. Foraker also mentioned that Mrs. Bergstrom will be sending a letter to request financial contribution to support the event.

Airline Rates & Charges – Staff gave an update on rates and charges discussions with the airlines. Initially, staff proposed reducing the Port-provided subsidy at the airfield from 51.3% to 48.3%, and at the terminal from 23.6% to 19.6%. After negotiations with the airlines, both parties agreed to a subsidy of 49.8% at the airfield and 21.6% at the terminal for 2015. Commissioner Reimann moved and Commissioner Ryckman moved to approve the airline rates and charges with the negotiated subsidy figures stated. Motion passed unanimously.

## Director's Report

1. Mr. Foraker informed Commissioners that the month of January passenger boarding statistics increased by two percent over January 2014. Year-to-date total passengers increased by 415.

2. Mr. Foraker updated Commission that last Friday, February 6, 2015, Horizon Flight inbound for the Tri-Cities Airport called for emergency assistance. A female, originating from Kenya fell unconscious during the flight. She flew from Kenya to Seattle, Seattle to Pasco. Paramedics transported the passenger from the aircraft to Kadlec Hospital. The Benton Franklin Health Department worked with the airline and Kadlec Hospital to verify that the passenger was non-contagious before releasing the airplane.

#### **PROPERTY MANAGEMENT**

Property Activity Report – Ms. Good informed Commissioners of the activities that have been occurring at the Port of Pasco.

#### **GENERAL ADMINISTRATION**

Port of Pasco 75<sup>th</sup> Anniversary Celebration – Ms. Keller informed Commissioners that staff is planning on a few projects to commemorate this year's 75<sup>th</sup> anniversary. Staff will be presenting ideas and dates to hold these celebrations to Commissioners.

#### **ITEMS NOT ON AGENDA**

Mrs. O'Brien informed Commissioners that we are in the process of moving some of the Ports investments to Umpqua Bank. Mrs O'Brien also mentioned that she has finished the 2014 Financials and that the Port revenue was \$800,000 more than they anticipated and the expenses were \$22,000 less than expected.

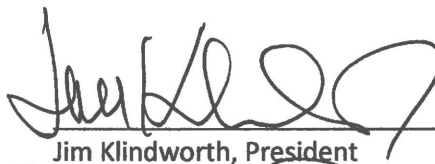
#### **NEXT MEETING**

Regular Commission Meeting – Thursday, February 26, 2015.

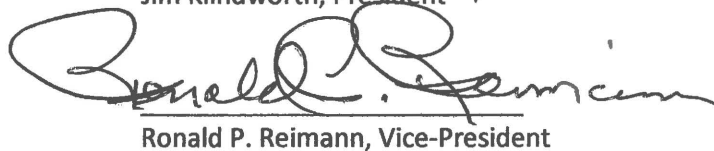
#### **ADJOURNMENT**

The meeting was adjourned at 2:56 p.m.

Port of Pasco Commission:



Jim Klindworth, President



Ronald P. Reimann, Vice-President



Jean Ryckman, Secretary