

PORT OF PASCO COMMISSION
Minutes of Regular Meeting of Port Commission
Held at Tri-Cities Airport, 3601 N. 20th Avenue, Pasco, WA 99301
September 24, 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 Airports Ron Foraker, Director of Finance & Administration Linda O'Brien, Director of Properties Sam Good, Director of Economic Development Gary Ballew, Deputy Director of Airports Buck Taft, Strategic Management David Robison and Administrative Assistant Audrey Burney

Guest: Jim Osterloh – Panda Holdings

APPROVAL OF AGENDA

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

ENGINEERING AND CONSTRUCTION

Terminal Building Expansion Project: Project update – Mr. Robison updated Commissioners regarding the Tri-Cities Airport Expansion Project. At this time the project is on track. Tailwind Concessions kitchen is scheduled to be open and operating October 20, 2015. Mr. Robison also informed Commission that Change Orders 7 & 8 had been approved by the Executive Director. At Commission direction, Mr. Robison will provide a breakdown of the change orders and other owner contingency account expenditures approved to date at the next meeting.

FINANCIAL

Public Hearing, Adopt Tax Levy and Budget for 2015, Resolution 1412 & 1413 – At 10:44 a.m. Commissioner Klindworth recessed the regular meeting and opened the public hearing on the Tax Levy and Budget for 2016.

Notice of this hearing was published in the Tri-City Herald on September 10 and October 17, 2015. The Commission discussed the 2016 tax levy, and the budget for 2016 has not changed from the preliminary budget that was discussed at the August 20, 2015 Commission meeting.

Commissioner Klindworth asked members of the public to comment or present written comments on the proposed tax levy and budget. There was no one who wished to provide any public comments.

Commissioner Klindworth declared the public hearing closed and reconvened the regular meeting at 10:55 a.m.

Commissioner Reimann moved and Commissioner Ryckman seconded to adopt Resolution 1412 authorizing a property tax levy increase in the amount of \$18,804.00, which is a percentage increase of 1% from the previous year and in addition any new construction. Motion carried unanimously.

Commissioner Ryckman moved and Commissioner Reimann seconded to adopt Resolution 1413, which is the 2016 Port of Pasco Budget. Motion carried unanimously.

CONSENT AGENDA

- a) Regular meeting minutes of August 20, 2015.
- b) Vouchers & Warrants 83823 - 84027 in the amount of \$1,887,918.78.
- c) Osprey Pointe Scouler Improvements, Certificate of Completion
- d) Osprey Pointe Pasco Chamber Tenant Improvement, Certificate of Completion
- e) BPIC re-application of Pavement Marking on Ainsworth, Certificate of Completion

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

FINANCIAL

Tenant Delinquent List – Mrs. O'Brien discussed and answered questions from Commissioners regarding the tenant delinquent list.

PROPERTY MANAGEMENT

Panda Holdings – Mr. Jim Osterloh informed Commissioners that he is interested in extending his lease another year, his lease ends in November. He would pre pay the lease in full, and also wishes to amend the "use of premises" description to include fabrication and assembly/shop activities. Commissioners agreed to authorize the Executive Director to sign a 12 month lease with Panda Holdings with similar conditions and to modify the "Use of Premises" if rent is prepaid and standard insurance and security deposit requirements are met.

ECONOMIC DEVELOPMENT

Economic Development Marketing Report – Mr. Ballew highlighted that the Tri-Cities Airport had an excellent turnout for the opening of phase I of the Terminal Expansion.

RECESS

Commissioner Klindworth recessed the meeting at 11:30 a.m. for two hours and twenty minutes to attend the Tri-Cities Airport Annual Tenant BBQ and to Tour Phase I of the Terminal Expansion. At 1:50 p.m. the meeting was reconvened.

ECONOMIC DEVELOPMENT

BHW-1 Extension – Mr. Ballew provided a memo expressing that he would like to extend BHW1 agreement through 2016 and to add an additional \$74,000 to the agreement. This amount is included in the 2016 preliminary operating budget that was presented at the August budget workshop. Commissioner Reimann moved and Commissioner Ryckman seconded to approve and authorize to sign and execute the amendment to the Marketing Services Agreement with BHW-1. Motion carried unanimously.

ENGINEERING AND CONSTRUCTION

Concessions Update – Mr. Foraker informed Commissioners that the Concessions are up and running in the pre-security location as well as the temporary bar area in the secured area. The changeover has been a smooth transition

and staff have not heard any negative remarks with the transition. Tailwind is expecting to double the menu offerings when the new kitchen opens around October 20th and they have also provided airport employees with an employee menu that offers items at a discounted price.

BPIC Road 18 Rail Crossing, Track Repair Recommendation of Award – Mr. Ballew informed Commissioners that bids were received for the Big Pasco Industrial Center Road 18 Rail Crossing, Track repair project. We received two bids and the lowest bidder is West Rail Construction Company of Vancouver, WA with a bid of \$102,341.38 for the base bid plus additive alternate #3. Commissioner Reimann moved and Commissioner Ryckman seconded to award the base bid plus additive alternate #3 to West Rail Construction Company for a total Contract price of \$102,341.38, including sales tax. Motion carried unanimously.

Road 27 Paving Project – Mr. Ballew reported that the repairing and repaving of Road 27 along with an overlay portion of Ainsworth is in the Port's Capital Facilities Plan for 2015. Design is complete and staff is prepared to bid the project. Due to the time of year, staff would like to begin the bid process and have bids due on October 6, 2015. In order to complete the work prior to the end of the year, the contract would need to be awarded prior to the Commission's next meeting on October 22. The schedule driven by asphalt plants closing at the end of the paving season. Staff requested that Commission authorize the Executive Director to accept bids and award a contract. Commissioner Reimann moved and Commissioner Ryckman seconded to authorize the Executive Director to accept bids for the Road 27 repaving project and to award a contract to the lowest responsible bidder in an amount not to exceed \$270,000.00. Motion carried unanimously.

AIRPORT

Parking Lot Revenue – Mr. Foraker reported that the airport purchased the current parking lot revenue control system manufactured by SKIDATA in 2005. The existing equipment has become very costly to troubleshoot and repair and therefore staff is recommending a replacement revenue control system. Newer systems now have modular components that make troubleshooting and replacement much easier and quicker. Mr. Foraker will provide a firm price quote and will ask Commission to approve at the October 6th Commission Meeting.

Director's Report

1. Mr. Foraker reported that 53 airports submitted SCASD grant applications for 2015. Eleven airports were awarded the SCASD and the Tri-Cities airport was one of the 11 airports that was awarded. The airport expects to receive the grant offer in the amount of \$750,000 and will ask Commission to accept and execute the agreement at the next Commission meeting. The next step will be to set up meetings with prospective airlines.
2. Mr. Foraker reported that August boardings were up seven percent, or 2011 passengers. Year to date passengers increase is four percent or 9,345 passengers over this time last year.
3. Mr. Foraker informed Commissioners and staff that FAA Modernization and Reform ACT of 2012 through Section 804, could reduce the number of TRACON facilities across the country by realignment and consolidation at larger facilities at either Spokane, Portland or Seattle. Mr. Foraker sent a Position letter to the FAA Administration in hopes to keep the service local.

PROPERTY MANAGEMENT

Coleman Oil – Ms. Good and Mr. Hultgrenn prepared a draft lease for Coleman Oil Company. Coleman Oil has not seen the document. However, after Commissioners review Ms. Good would like to present this lease to them and require a site plan showing additional landscaping and any other improvements they intend to make that would be subject to approval by the Port. The plan would need to be approved prior to the Port signing the lease. Commissioners indicated that the draft lease was acceptable and directed staff to proceed with lease negotiations.

Hertz Car Rental – Ms. White prepared a memo regarding the Car Rental RFP Process, which solicited for one open operations counter and parking block. Two proposals were received by Sixt Rent a Car and Hertz Car Rental. Hertz had the winning bid with a minimum annual guarantee in year one of \$190,000.00, year two of \$190,100.00 and year three of \$195,000.00. Commissioner Ryckman moved and Commissioner Reimann seconded to approve the agreement with Hertz Car Rentals. Motion carried unanimously.

Kenyon Zero Storage – Commissioner Reimann moved and Commissioner Ryckman seconded to authorize the Executive Director to sign the Amended Rail and Utility Easement when payment has been received from Kenyon Cold Storage. Motion carried unanimously.

Duzan Assignment & CPI Modification – Mr. Foraker reported that Thomas Duzan entered into a twenty year term lease with the Port of Pasco in September 1996. Unfortunately, Mr. Duzan passed away recently and a lease assignment has been prepared and signed by his wife to assign the lease into her name. Commissioner Ryckman moved and Commissioner Reimann seconded to approve to execute the lease assignment. Motion carried unanimously.

ENVIRONMENTAL

Marine Terminal Golder 2015 Budget – Executive Director Randy Hayden informed Commission that Golder Associates submitted their 2015 budget request of \$106,345.00 for the Marine Terminal Cleanup work. The Port's share will be approximately \$9,837. Commissioner Ryckman Moved and Commissioner Reimann seconded to authorize the Executive Director to sign the attached agreement with Golder Associates for \$106,345. Motion carried unanimously.

GENERAL ADMINISTRATION

Social Media Policy – Mr. Balley reported that BHW-1 will begin the airport advertising campaign in northeast Oregon by mid-September. The campaign is all on-line and includes Facebook ads, banner ads on brand-safe sites such as Expedia, Priceline, and Hotwire, and retargeting ads. Facebook ads require that the business, in this case the Tri-Cities Airport, has an official Facebook page. Even though the Port's venture into social media will be slow, it is important that the Port of Pasco adopt a social media policy to guide how these sites will be used and who is authorized to use them. Commissioner Reimann moved and Commissioner Ryckman seconded to adopt the Port of Pasco Personnel Policy number 290 on Social Media. Motion carried unanimously.

ITEMS NOT ON AGENDA

1. Mrs. O'Brien informed Commissioners that she recommends renewing with United Health and Delta Dental for the coming year 2016. Quotes from other plan providers offered nominal reductions in premiums, but did not have the same level of benefits for prescription drugs and other items. Commissioner Reimann moved and Commissioner Ryckman seconded to authorize the renewal of United Health Care and Delta Dental insurance for year 2016. Motion carried unanimously. Mrs. O'Brien will provide a comparison sheet of all quotes received at the next Commission meeting.

RECESS

At 3:50 p.m. Commissioner Klindworth announced that the board would recess for a 10 minute break.

EXECUTIVE SESSION

At 4:00 p.m., Commissioner Klindworth announced that the board would go into executive session for thirty minutes to consider the minimum price at which real estate will be offered for sale or lease and to review the performance of a public employee. At 4:30 p.m., the regular meeting was reconvened.

NEXT MEETING

Regular Commission Meeting – Tuesday, October 6, 2015.

ADJOURNMENT

The meeting was adjourned at 4:30 p.m.

Port of Pasco Commission:

Handwritten signature of Jim Klindworth in black ink.

Jim Klindworth, President

Handwritten signature of Ronald P. Reimann in black ink.

Ronald P. Reimann, Vice-President

Handwritten signature of Jean Ryckman in black ink.

Jean Ryckman, Secretary

