

**Port of Pasco Commission**  
**Minutes of Regular Meeting of Port Commission**  
Held at 1110 Osprey Pointe Blvd., Suite 201, Pasco, WA 99301  
November 12, 2015 | 10:30 a.m. | Meeting called to order by Commissioner Jim Klindworth

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**CALL TO ORDER**

Present: Commissioner Jim Klindworth, Commissioner Ron Reimann, Commissioner Jean Ryckman, Port Counsel Dan Hultgrenn, Executive Director Randy Hayden, Director of Airport Ron Foraker, Director of Finance & Administration Linda O'Brien, Director of Economic Development Gary Ballew, Director of Properties Sam Good, Deputy Director of Airports Buck Taft, Executive Assistant Vicky Keller and Administrative Assistant Audrey Burney

Guest: Kevin Sliger – Ben Franklin Transit, Geoff Folsom – Tri-City Herald, Darren McEuin and Sarah Scott with Conover Insurance

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**APPROVAL OF AGENDA**

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

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**CONSENT AGENDA**

- a) Regular Meeting Minutes of October 22, 2015
- b) Vouchers & Warrants 84219 - 84287 in the amount of \$1,206,925.78
- c) Road 18 Crossing, Track Repair Project – Certificate of Completion
- d) Road 27, Paving Project – Certificate of Completion
- e) FEMA Security Grant Sub-Recipient Agreements

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

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**FINANCIAL**

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

**Insurance Renewals** – Mrs. O'Brien introduced Darren McEuin and Sarah Scott with Conover Insurance. Mr. McEuin presented and discussed the 2016 renewal quotes for the Crime, Earthquake and Marine Liability Policies. Commissioners need more information and more time to think about all of the options that were presented. Additional discussion will be at the December 10, 2015 Commission meeting.

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**ECONOMIC DEVELOPMENT**

**Barge Terminal Market Analysis** – Mr. Ballew reported that the Port of Pasco Strategic Plan included a strategic assessment of the barge terminal that includes long term usability, capacity analysis and market demand. The Port used Paul Sorenson with BST Associates and they learned that petroleum and farm products make up 93% of McNary pool cargo. Container traffic is not likely to make a significant comeback on the Columbia River due to increasing size of container ships and west coast labor disputes. Cargo originating or terminating in the McNary pool averaged 3.2 million tons over the last 5 years, accounting for 38% of all cargo on the shallow draft system. The study showed potential opportunities for the Port of Pasco barge terminal included project cargo, niche markets, repurposing the terminal and developing new industrial base (energy intensive & reshoring).

## **ENGINEERING AND CONSTRUCTION**

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**Terminal Building Expansion Project: Project Update** – Mr. Robison updated Commissioners on the status of the Terminal Building Expansion project. The project is currently on schedule. The Concession's Kitchen is in operation. Mr. Foraker informed Commissioners that Tailwind moved into the old "River News and Gifts" space on the public side and is selling food items similar to a grab and go, offering sundry items, coffee, soft drinks and prepared food menu to the public.

## **RECESS**

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Commissioner Klindworth recessed the meeting at noon for fifteen minutes for lunch. Meeting was reconvened at 12:15 p.m.

## **EXECUTIVE SESSION**

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At 12:15 p.m., Commissioner Klindworth announced that the board would go into executive session for an hour to consider the minimum price at which real estate will be offered for sale or lease and to discuss with legal counsel representing the agency litigation or 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 1:15 p.m., Mr. Taft announced on behalf of the Commission that executive session would extend 30 minutes. At 1:45 p.m., Mr. Taft announced on behalf of the Commission that executive session would extend 15 minutes. At 2:00 p.m. the regular meeting was reconvened.

## **PROPERTY MANAGEMENT**

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**Propak Logistics Lease Proposal** – Commission Ryckman moved and Commissioner Klindworth seconded to authorize the rates for a 3-year lease for T-179 at \$0.29/sf/month, W5-B4 at \$0.22/sf/month and to pay a 3 percent broker fee for a 3-year lease for W5-B4 if the tenant agrees to the other terms of our standard lease including security deposits, Washington State Leasehold Excise Tax, indemnification clauses and the like. The W5-B4 lease is an expansion by Propak Logistics. Motion passed. Commissioner Reimann voted against. After further discussion, it was agreed that staff would prepare a revision of the broker policy for the December Commission meeting to address the payment of broker fees for an existing tenant leasing additional space.

## **AIRPORT**

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**2016 Rates & Charges** – Commissioner Reimann moved and Commissioner Ryckman seconded to authorize a 13.6 percent increase in airline rates and charges for 2016. Motion carried unanimously.

**Airport STEM Partnering Proposal** – Mr. Foraker informed Commissioners that Janese Thatcher, CBC's new Dean for Career and Technology Education and Matt Boenke, CBC's Cyber Security Instructor and Tri-Cities Waterfollies Airshow Coordinator visited with him and Buck regarding an aviation themed educational program called the "Learning Jet". Janese has implemented this STEM (Science, Technology, Engineering and Mathematics) program in several communities. The STEM program is for grades 4 – 12. FED Ex, Inc. has partnered with this program by donating an older Airbus 320 to the program for classroom work. The aircraft is modified after all liquids are drained, batteries and all hazardous elements are removed and then transformed into a classroom and fitted with seating and computers.

Janese is interested in staging an Airbus 320 near Hangar building #72 and the future aviation museum (old tower). The project would be a collaboration between Columbia Basin College, our cities and school districts. Commissioners are interested in having Janese and Matt in for a future Commission meeting to present the Learning Jet Program.

**SCASD update** – Mr. Foraker reported that staff has signed the agreement with Sixel Consultants for a “Recruitment Plan” to meet with airlines that are capable of providing direct air service between PSC and LAX. The pricing for Sixel’s attendance and marketing materials for the first meeting is \$7,500 and then \$5,000 for the subsequent meetings. Staff is preparing to meet with Alaska, American, Delta, SkyWest and United Airlines with an expected cost of approximately \$45,000. The pricing is discounted if staff can meet with airlines during a conference. The fees can be reimbursed under the SCASD grant. Jack Penning put together a preliminary schedule which was shared with Commission.

#### **Director’s Report**

1. Mr. Foraker updated Commissioners regarding the Rental car counters and a new signage in the Bag Claim area.
2. Fed Ex has completed a new employee parking area and will look to expand the building operations area along with a new light vehicle maintenance area next spring.
3. Mr. Foraker informed Commissioners that he has been working with Basin Disposal to set up recycling program for the terminal building after the first of the year.
4. Mr. Foraker reported that the month of October showed a positive growth of three percent in passenger boarding’s with year-to-date growth of four percent. In addition, staff is publishing monthly statistics to the Fly-tri-cities website.
5. Mr. Foraker informed Commission that the Airbus 320 to Salt Lake City will be returning in January.

#### **PROPERTY MANAGEMENT**

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**Terri Wirth CPI Agreement** – This is a long term land lease and a standard three-year CPI rental rate increase, effective December 1, 2015. New rate per month has increased from \$541.10 to \$558.30. This is a 3.2 percent increase. The Executive Director has signed the lease modifications to increase the rent in accordance with Commission policy delegating authority.

**Panda Holdings** – A new pre-paid 12-month lease begins November 16, 2015 end November 15, 2016. Staff is reporting the execution of the lease. Executive Director has signed the lease in accord with Commission policy delegating authority as there were no lease deviations.

**Osterloh Land Lease** – Jim Osterloh and Andrey Oleynik have entered into a lease of the fenced yard east of SE Road 24 between E. Dock and E. Cargo Streets to be used for temporary storage of vehicles and later for hauling containerized products. They have elected to prepay the rent in advance. As a precaution, a base-line environmental assessment has been conducted to assess the condition of the ground should issues arise in the future due to this activity. Executive Director has signed the lease in accord with Commission policy delegating authority as there were no lease deviations.

**Inland Empire Distribution** – This is a current tenant that has requested an increase from 32,400 sf to 43,200 sf in the warehouse they currently occupy – Warehouse 6, Bay 1, with an additional 7,200 sf in the adjoining bay (Warehouse 6 Bay 2). This warehouse is located at 3305 E. Ainsworth. Executive Director has signed the lease amendment in accord with commission policy delegating authority as there were no lease deviations.

## **GENERAL ADMINISTRATION**

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**Delegation of Authority, Resolution 1418** – Commissioner Reimann moved and Commissioner Ryckman seconded to approve Resolution 1418, adopting a new Delegation of Authority Policy. Motion passed unanimously.

**2016 Strategic Plan, Capital Improvement Plan, and Comprehensive Scheme of Harbor Improvements** – Executive Director informed Commissioners that he provided draft versions of the 2016 Strategic Plan, 2016 Capital Improvement Plan, and 2016 Comprehensive Scheme of Harbor Improvements for ample time of review for the December 8, 2015 Workshop.

**WPPA Dues** – Mrs. O'Brien informed Commissioners that the breakdown of the 2015 WPPA dues are attached to the packet for their review.

**Port Personnel Policy 310 Benefits** – Ms. Keller informed Commissioners that a recent issue regarding use of time off without pay has come to the attention of Port staff prompting the revision to the Port's Personnel Policy on benefits to address the use of Time Off without Pay when an employee has used all of their sick and vacation. The revisions are specific to the "Sick Leave" action of the policy. The revision to the policy does not affect employees requiring time off without pay under FMLA or ADA. Commissioner Reimann moved and Commissioner Ryckman seconded to approve the Port of Pasco Personnel Policy 310 as modified. Motion passed unanimously.

## **ITEMS NOT ON AGENDA**

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- a. Mr. Hayden asked Commissioner Klindworth if he would join him and Mr. Ballew when they met with Peter Goldmark, the Commissioner of Public Lands, to discuss the Snake River Property recently purchased by DNR.
- b. Mr. Hayden informed Commission he attended a new Latino advocacy group called LULAC that has been around since the 1940's, but newly formed in the Tri-Cities.

## **NEXT MEETING**

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Special Commission Meeting – Tuesday December 8, 2015


Regular Commission Meeting – Thursday December 10, 2015

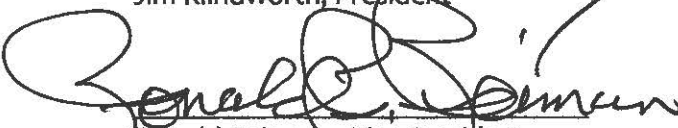
## **ADJOURNMENT**


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The meeting was adjourned at 2:50 p.m.

Port of Pasco Commission:

  
Jim Klindworth, President

  
Ronald Reimann, Vice-President

  
Jean Ryckman, Secretary