

Port of Pasco Commission
Minutes of Regular Meeting of Port Commission
Held at 1110 Osprey Pointe Blvd., Suite 201, Pasco, WA 99301
March 10, 2016 | 10:30 a.m. | Meeting called to order by Commissioner Ron Reimann

CALL TO ORDER

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

Guest: David Robison – Strategic Management, Kevin Sliger – Benton Franklin Transit, Loretto Hulse – Journal of Business

APPROVAL OF AGENDA

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

CONSENT AGENDA

- a) Regular Meeting Minutes of February 25, 2016
- b) Vouchers & Warrants 84998 – 85064 in the amount of \$1,325,513.23
- c) Re-roof Warehouse 7 Bay 1 Recommendation of Award

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

FINANCIAL

January 2016 Financial Statement – Mrs. O'Brien discussed the December 2015 financials and answered any questions from Commissioners.

ENGINEERING AND CONSTRUCTION

Terminal Building Expansion Project: Project Update – Mr. David Robison informed Commissioners that the Risk Contingency #11 is ready for approval by the Executive Director for \$41,805.57, including sales tax. Mr. Robison shared that the project is currently on schedule. Mr. Robison and Mr. Foraker shared a few pictures of the terminal building.

AIP-42, Taxiway Delta Relocation Project: Supplement #4 – Mr. Foraker informed Commissioners that the Executive Director has signed the supplemental agreement with JUB Engineers for the amount of \$39,000. The supplement deals with additional wages for land surveyors who must be paid prevailing wages. The FAA has approved the cost and it will be eligible at the 90% - 10% split.

ECONOMIC DEVELOPMENT

Economic Development Interlocal Agreement – Mr. Ballew provided the interlocal agreement regarding the Port of Pasco to provide economic development services to the City of Pasco. The

proposed interlocal agreement covers the Port providing economic development services to the City of Pasco. This would primarily be the services of Gary Ballew, The Port's Director of Marketing and Economic Development, but is not necessarily limited to him individually. Under the agreement the Port would be providing activities specific to the City of Pasco, such as retail recruitment at a national level, that would be billed solely to the City and activities at a shared cost between the City and Port, such as industrial recruitment activity. The agreement specifies that services rendered by the Port will be billed to the City at an hourly rate, and also that related expenses, such as travel and material development are also reimbursable. Commissioner Ryckman moved and Commissioner Klindworth seconded to authorize the Executive Director to sign the interlocal agreement in its substantial form. Modifications were made that provided that the Port could reject assignments by the City and deleting the term "Staff" in paragraph 1. Motion carried unanimously.

County .09 Fund Update – Mr. Hayden informed Commission that staff from the City of Pasco, the City of Connell, the City of Mesa, TRIDEC, and the Port met with staff from Franklin County to further discuss updating the County's economic development ".09" fund policy. The group is supportive of the policy that was shared with the Commission at their February 25 meeting. There were two modifications to the policy and they are; the creation of an "opportunity reserve" within the .09 fund in the amount of \$1,000,000, and requiring that allocated funds be spent within 24 months. Economic development opportunities cannot be scheduled, so there not only needs to be a method to review urgent requests that create jobs and tax base. The reserve provides a method to fund those requests. The group felt 24 months provided sufficient time to identify matching funds and design and start construction on a project. The motivation behind this provision was the desire to see these funds creating economic development opportunities in the near term. Commissioner Klindworth moved and Commissioner Ryckman seconded to authorize the Port Commission President to sign the letter as may be modified in development of the final draft. Motion carried unanimously.

City of Pasco Tax Increment Financing Bill – Executive Director Randy Hayden summarized the discussion from last Commission meeting regarding the City of Pasco Tax Increment Financing (TIF) bill HB 2842 - dealing with new property taxes will be collected when DNR sells land it owns west of Road 68. It looks as though the bill will be passed by the legislature in the next few days. Staff is working on a Memorandum of Understanding that would spell out the details of the taxes to be collected so that Port tax collections would be limited to property taxes only on the unimproved land.

AIRPORT

Director's Report

1. Mr. Foraker reported that the dedicated TSA pre-check screening line will no longer be offered at the Tri-Cities Airport. Instead those passengers that are trusted travelers will be welcomed to the front of the line for expedited screening. Once the terminal project is complete then a separate line again will be provided.
2. Mr. Foraker informed Commission that the annual FAA Part 139 inspection had been conducted on Monday, Tuesday and Wednesday of this week. Mark Gable was our new inspector and had good comments about the airport. We will receive a written report which will include a couple of items regarding fuel truck maintenance.
3. Mr. Foraker, Carl Adrian and Jack Penning met with Scott Springer and Steve Hedden with Delta Airlines in Atlanta. They felt that both Scott and Steve had relevant material on Delta's passenger traffic information. Aircraft and flight crews continue to be the problem for airlines expanding new routes and they would review again within the year.

4. Mr. Foraker informed Commission that Tara White took a call from Malin Bergstrom asking about a dig that a retired Naval flight officer opened in 1980's looking for Grumman Hellcat aircraft parts. Bill Compton of Oregon failed to find parts and filled dig holes. The then Commissioners said they would keep artifacts buried and not allow further exploration.
5. Mr. Foraker reported that the Executive Director signed a contract with McKay Sposito in the amount of \$39,851.00 for the design of new signage and new landscaping to complete the new terminal. This project is in the capital budget.
6. Mr. Foraker reported that there was a 12% increase for the month of February and that makes it an 11% growth year-to-date for January and February.

RECESS

Commissioner Reimann recessed the meeting at 12:07 p.m. for thirteen minutes for lunch. Meeting was reconvened at 12:20 p.m.

EXECUTIVE SESSION

At 12:20 p.m., Commissioner Reimann announced that the board would go into executive session for one half hour 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 12:50 p.m., Mr. Taft announced on behalf of Commission that executive session would extend 15 minutes. At 1:05 p.m. the regular meeting was reconvened.

PROPERTY MANAGEMENT

Rock Placing Company – Ms. Good presented the final construction photos of the Rock Placing Company building and site. Commissioner Ryckman moved and Commissioner Klindworth seconded to accept the completion of the Rock Placing Company Building screening and landscaping to satisfy the conditions of sale. Motion carried unanimously.

The following leases were signed by the Executive Director in accordance with the Delegation of Authority policy.

Jordan Design Lease Amendment – This is a current tenant that is increasing their space by 3,600 sq. ft. to handle a new fabrication project. This month-to-month lease will probably end in a few months when the tenant moves to a new facility in Richland that is under construction.

Pasco School District – The Pasco School District has been leasing property at the Tri-City Airport Industrial Park for many years under various leases. Now the School District has leased another 2.17 acre, fenced yard for parking and storage of vehicles, equipment trailers, snow blades, mowers and similar District maintenance equipment on one of the laydown yards that BPA recently vacated. This yard is adjacent to their other leased properties.

TRANSPORTATION

Container Terminal Discussion – Mr. Hayden reported that staff is continuing to seek input from various shipping industry representatives and will provide additional information regarding the container crane services at the Big Pasco barge slip. Commissioner mentioned that they and staff don't need to come up with a quick decision. Staff can continue researching and figure what is best for the Port at a later date.

City of Pasco FMSIB Grant Letter of Support – Commissioner Ryckman moved and Commissioner Klindworth seconded to authorize the Executive Director to sign a letter supporting the City's Oregon Street Phase 1 Improvements. Motion carried Unanimously.

Great Northern Corridor Coalition March Meeting Recap – Mr. Hayden summarized the meeting he attended for the Great Northern Corridor on March 9, 2016. The primary focus of the coalition is to encourage investment in the transportation corridor from Chicago to the gateway ports in Oregon and Washington. The meeting focused on how the coalition will accomplish that mission and how to transform the loose coalition into a more organized entity.

GENERAL ADMINISTRATION

New IT – Mr. Taft informed Commission that through the Delegation of Authority, the Executive Director has signed a contract for IT services with DevFuzion. DevFuzion will be providing services for all IT related issues as well as providing a new phone system to the Port. The contract is a service based contract in which the Port will pay \$2,425 a month and the Airport will pay \$2,375 a month. The total service contract is \$4,800 a month or \$57,600 a year. In addition, we have established a onetime agreement for the purchase and installment of a VOIP/SIP phone system by DevFuzion for both the Port and the Airport. The total value of this contract is \$18,179.94.

Calendar of Events –

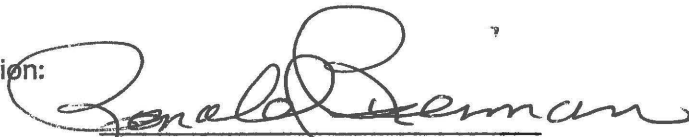
NEXT MEETING

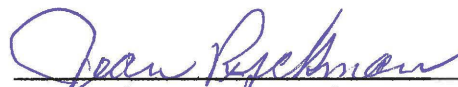
Regular Commission Meeting – Thursday, March 24, 2016 at 10:30 a.m.

ADJOURNMENT

The meeting was adjourned at 1:53 p.m.

Port of Pasco Commission:


Ronald Reimann, President


Jean Ryckman, Vice-President


Jim Klindworth, Secretary