

**Port of Pasco Commission**  
**Minutes of Regular Meeting of Port Commission**  
Held at 1110 Osprey Pointe Blvd. Suite 201, Pasco, WA 99301  
October 20, 2016 | 10:30 a.m.

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**CALL TO ORDER**

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Meeting was called to order by Commissioner Ron Reimann at 10:30 a.m.

Present: Commissioner Ron Reimann, Commissioner Jean Ryckman, Commissioner Jim Klindworth, Port Counsel Dan Hultgrenn, Executive Director Randy Hayden, Director of Airports Ron Foraker, Deputy Director of Airports Buck Taft, Senior Accountant Jane Havens, Director of Marketing and Economic Development Gary Ballew, Property Manager Mayra Reyna, and Administrative Assistant Audrey Burney

Excused: Director of Finance & Administration Linda O'Brien

Guests: Commissioner Brad Peck – Franklin County

**APPROVAL OF AGENDA**

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Commissioner Klindworth added item 9.E. WPPA proposed 2017 budget and dues to the Agenda. Commissioner Klindworth moved and Commissioner Ryckman seconded to approve the agenda as corrected. Motion carried unanimously.

**CONSENT AGENDA**

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- a) Special Meeting Minutes of October 4, 2016
- b) Regular Meeting Minutes of October 6, 2016
- c) Vouchers & Warrants 86350 - 86453 in the amount of \$1,737,679.47

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

**PUBLIC HEARINGS & RESOLUTIONS**

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**Resolution 1442, Changing Location and Time of first meeting in December** – Commissioner Klindworth moved and Commissioner Ryckman seconded to adopt the resolution to change the location and time of the December 8, 2016 meeting to 10:00 a.m. at the Tri-Cities Airport, 3601 N. 20<sup>th</sup> Avenue, Pasco, WA, 99301. Motion carried unanimously.

**ITEMS FOR ACTION/CONSIDERATION**

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**Columbia East and Lampson Pipeline Easement** – Executive Director Hayden reported to Commission that staff has been continuing to work with Tippet Company on an agreement to remove petroleum pipelines within the Port easement crossing Columbia East, LLC property. From the most recent Pipeline discussion in July 2016, Bob Tippet mentioned that Lampson would also like to be added to the agreement to remove the pipelines running across his portion of the property.

Port Attorney Dan Hultgrenn made changes to add Lampson to the agreement. The revised agreements have been signed by Columbia East and Lampson and Port staff is asking Commission for approval. The primary change of the revised agreement was to add Lampson to the agreement along with their contribution of \$25,00 to the overall cost to remove the pipeline. This amount will cover

the removal of the pipeline and soil testing across their portion of the property. The other parties' contributions remain the same at \$150,000 for Columbia East and \$50,000 for the Port.

Commissioner Klindworth moved and Commission Ryckman seconded to authorize the Executive Director to sign the Pipeline Removal Agreement with Columbia East and Neil F. Lampson. Motion carried unanimously.

**Tie Down Fee Removal** – Mr. Foraker brought forward a topic that was discussed at the October workshop to eliminate the tie down fee, effective January 1, 2017, to attract more General Aviation traffic and increase operations for the FAA ATCT. Staff will monitor transient airplane parking and will bring this issue back to the Commission should the re-evaluation of charging a tie down fee becomes necessary. Commissioner Klindworth moved and Commissioner Ryckman seconded to approve the elimination of a tie-down fee at the Tri-Cities Airport, effective January 1, 2017. Motion carried unanimously. Commissioners requested an analysis in 6 months to determine the impact of the fee removal.

**Fuel Flowage Fee Increase** – As discussed as the October workshop, Mr. Foraker reported that currently aviation tenants who sell fuel are charged a fuel flowage fee of \$.035/gallon. The fuel flowage fee is charged in place of landing fees for GA aircraft. This rate has been in place since 1985 and is significantly lower than fuel flowage fees charged at other neighboring airports.

Staff is recommending increasing the fuel flowage fee to \$.05/gallon on January 1, 2017 and, again, to \$.07/gallon on January 1, 2020. This adjustment will bring the Tri-Cities Airport to a comparable fuel flowage fee within 3 years. Stepping the increase over multiple years reduces the impact to users paying the fee.

Commissioner Ryckman moved and Commissioner Klindworth seconded to approve the fuel flowage fee increase at the Tri-Cities Airport from \$.035/gallon to \$.05/gallon, effective January 1, 2017; and to \$.07/gallon effective January 1, 2020. Motion carried unanimously.

**Equipment Surplus** – Executive Director Hayden informed Commissioners that the following items are being submitted as surplus so that they may be removed from Port Inventory and sold:

- NEC Office Phone Systems to include handheld phone units
- Polycom Conference Phones
- Swingline Paper Shredder
- Equipment Storage Cages
- Tent Structure located at Tri-Cities Airport (No less than \$20,000.00)

Commissioner Ryckman moved and Commissioner Klindworth seconded to declare the property outlined above as surplus to the needs of the Port of Pasco. Motion carried unanimously.

**Terminal Carpet** – Mr. Taft reported that staff is recommending purchasing a darker carpet for the Gate 1 & 2 area that will be easier to maintain. Lighter carpet for this area has already been purchased, but not installed, and can be reused as replacement carpet for the Gate 4 and 5 area. Cost for the replacement carpet will be \$34,514.17 including tax. There are funds in the the Terminal Project furniture budget, which is approximately \$60,000 under budget, that can be used for the carpet purchase. Commissioner Ryckman moved and Commissioner Klindworth seconded to approve the purchase of replacement carpet for the Phase 2 Boarding Area in the amount of \$34,514.17, and to transfer those funds from the project furniture budget into the Bouten contract Owner's contingency account. Motion carried unanimously.

## **ITEMS FOR ACTION/CONSIDERATION**

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**Tenant Delinquent List** – Mrs. Havens discussed the current tenant delinquent list.

**Junior Achievement** – Mr. Ballew summarized that the Port of Pasco has a criteria evaluation when deciding to promote an event. The Port takes into consideration, the cost of the opportunity, target audience, and that the event ties into the Port's mission of economic development or transportation.

Staff is seeking direction from the Commission prior to financial participation in the 2017 event. Commissioners felt that Junior Achievement is a great cause, but that it was not the right fit for promoting the Port of Pasco.

### **Airport Director's Report**

Mr. Foraker informed Commissioners that he is attending a City of Pasco Planning Commission meeting tonight, October 20, 2016 to provide airport input into adding a 160-acre agriculture property to the City's Urban Growth Area (UGA) for residential development. Commissioners expressed concern that a housing development could impact future Tri-Cities Airport runway expansion plans, especially when the demand for larger commercial airplanes are required, and that the current county land use for this property is more compatible with future airport plans.

Commissioner Reimann mentioned that we need to protect the only runway we have with expansion capabilities. Mr. Hayden suggested that the Port of Pasco state that we would prefer to keep the entire 160-acre tract out of the City UGA, and would be strictly opposed to adding that portion of the land that falls within airport protection zones 2 and 4 to the City UGA. Commissioners indicated general agreement with this approach.

Mr. Foraker reported that Carl Adrian, Buck Taft and he just returned from the Sixel Conference where they had one-on-one meetings with Airline representatives from American Airlines, SkyWest Airlines, Delta Airlines and South West Airlines.

- American Airlines showed interest in our numbers and we were encouraged to make another visit for further discussions. American was the one airline that we did not meet with this past year. They were looking at a PSC to Phoenix PHX to Los Angeles LAX route, all on the same plane, which would utilize existing gate assignments. We will likely pursue a meeting soon.
- Delta Airlines showed very little interest but wanted to look at the potential impact LAX would have on their Seattle traffic.
- Alaska Airlines did not attend the Sixel Conference so staff is wanting to pull together a meeting very soon, before we commit to an American Airline meeting. Commissioner Reimann agreed that when staff sets up a meeting with Alaska he will attend.
- SkyWest Airlines could go on their own and code share as they did with the San Francisco market with United, but the profit margin apparently is very limited.
- Although South West Airlines is changing their business model, we still do not have the population base to support their type of operation.

**WPPA Proposed 2017 Budget and Dues** - Commissioner Klindworth informed staff that he has received a copy of the Proposed 2017 Budget and Dues from WPPA. His complaint regarding the budget is the same complaint from last year's budget. He would like to have a list of all of the Ports dues with Prior years' dues for comparison.

#### **RECESS**

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At 12:00 am, Commissioner Reimann recessed the meeting for fifteen minutes for lunch. At 12:15 pm the meeting was reconvened.

#### **EXECUTIVE SESSION**

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At 12:15 p.m., Commissioner Reimann announced that the board would go into executive session for 35 minutes 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 matters relating to Potential Legal Action. At 12:45 p.m., Port Counsel came out to announce the meeting has been extended for fifteen minutes. At 1:00 p.m. the regular meeting was reconvened.

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

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Mr. Hayden informed Commission that Franklin County approved a change to the County's Economic Development to fund \$500,000 for new flooring for TRAC out of the .09 Economic Development fund. The TRAC expenditure of \$500,000 was approved with the condition that it will be the only TRAC expenditure out of the .09 funding for the next five years, which is consistent with the recommendation of the local agency funding committee.

Mr. Ballew discussed CBC's Culinary Institute proposed for the Port of Kennewick's Columbia Gardens development.

Mr. Ballew updated the Commissioners about the Pasco Strategic Vision. The Steering Committee interviewed three consultant teams and selected the Barney & Worth, E.D. Hovee team as the preferred candidate.

#### **NEXT MEETING**

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Regular Commission Meeting – Thursday, November 10, 2016 at 10:30 a.m. at the Port of Pasco.

#### **EXECUTIVE/EXECUTIVE**

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At 1:10 p.m., Commissioner Reimann announced that the Commissioners and Executive Director would go into executive/executive session for 5 minutes to review the performance of a public employee. At 1:15 p.m., the regular meeting was reconvened.


**ADJOURNMENT**


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The meeting was adjourned at 1:15 p.m.

Port of Pasco Commission:

  
Ronald Reimann, President

  
Jean Ryckman, Vice President

  
Jim Klindworth, Secretary

