

Port of Pasco Commission
Minutes of Regular Meeting of Port Commission
Held at 1110 Osprey Pointe Blvd., Pasco, WA 99301
February 23, 2017 | 10:30 a.m.

CALL TO ORDER

Commissioner Reimann called the meeting to order at 10:30 a.m.

Present: Commissioner Jean Ryckman, 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 Economic Development and Marketing Gary Ballew, Director of Property Mayra Reyna, and Administrative Assistant Audrey Burney

Excused: Commissioner Jim Klindworth, Director of Finance & Administration Linda O'Brien

Guests: David Robison – Strategic Construction Management, Matthew Branson, Franklin County Commissioner Brad Peck, Ken Nichols, Kevin Slinger – Ben Franklin Transit

APPROVAL OF AGENDA

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

CONSENT AGENDA

- a) Regular Meeting Minutes of January 23, 2017
- b) Vouchers & Warrants 86995 – 87203 in the amount of \$2,083,506.53
- c) Excuse Commissioner Klindworth

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

PUBLIC CITIZEN COMMENT

Franklin County Commissioner Brad Peck stated that if anyone sees a road closed sign to please take it seriously and don't drive thru the road closure area. The dirt base material has been washed away and there is nothing but air under the pavement.

ITEMS FOR ACTION/CONSIDERATION

Terminal Building Expansion Project: Change Order – Mr. David Robison was very appreciative to Commissioners regarding the Terminal Building Project. The project is coming to an end and he was very happy with the outcome of the project and very appreciative with the teams he worked with throughout the project. The Terminal Building Expansion Project was a success and the Port of Pasco has a remaining \$291,048.61 in our Original Owner Contingency fund. In the Risk Contingency plus sales tax fund, the Port has a balance of \$56,419.24.

There are two Change Orders that need approval, change order #20 in the amount of \$42,103 inclusive of temporary lighting, floor grinding and leveling, City of Pasco inspection items, replaced downspout and rerouting a gas line for final inspection. In addition, RCAR #19 in the amount of \$86,827 includes several contingency items to close out the project.

Commissioner Ryckman moved and Commissioner Reimann seconded to approve change order #20 in the amount of \$42,103 and the RCAR #19 in the amount of \$86,827. Motion carried unanimously.

PUBLIC HEARINGS & RESOLUTIONS

Resolution 1449, Container Crane Equipment Surplus – Mr. Hayden reported that on January 26th Commissioners surplused the Manitowoc 4100 Crane by Resolution 1448. The Spreader bars were not included in the surplus request. Staff would like to add the Container Crane 20' spreader bar and the Container Crane 40' spreader bar to the authorized items for surplus, so these items can be sold at the same time that the Manitowoc Crane is sold.

Commissioner Ryckman moved and Commissioner Reimann seconded to adopt Resolution 1449 declaring the 20' spreader bar and the 40' spreader bar surplus to the needs of the Port of Pasco, and to direct the Port of Pasco Executive Director to use his discretion to set the minimum sale price at which the equipment will be sold. Motion carried unanimously.

Resolution 1450, VOR – Mr. Foraker reported to Commissioners that the Federal Aviation Administration (FAA) has prepared a "Transfer Agreement" between the Federal Aviation Administration and the Port of Pasco releasing interest and full responsibility in the ownership, operation, and maintenance of the VOR equipment and facilities. The transfer agreement ensures the accountability of the VOR as FAA property and takes all obligations away from the Port. The final project accounting and final payment to the Port has been completed with payment in the amount of \$205,046.35.

Commissioner Reimann moved and Commissioner Ryckman seconded to execute Resolution 1450, authorizing the transfer of the VOR Equipment to the Federal Aviation Administration, and execution of FAA Transfer Agreement AJW-FN-12-So56-C-TA,. Motion carried unanimously.

ITEMS FOR ACTION/CONSIDERATION

Operating Reserve Fund Increase – Mrs. O'Brien prepared a memo reporting that the Port currently has a Commissioner Restricted Operating Reserve Fund of \$2,600,000. This is the equivalent of four months essential operating expenses. We recently received reimbursement from the FAA in the amount of \$205,046.35 for overpayment of the VOR project AIP 40. Commissioner Ryckman moved and Commissioner Reimann seconded to increase the operating reserve by \$205,000 to \$2,805,000. Motion carried unanimously.

Mead & Hunt Change in Scope Outbound Baggage System – Mr. Foraker informed Commissioners that last September the Transportation Security Administration (TSA), entered into Modification #2 of the "OTA" Agreement for the Electronic Baggage Screening Program at the Tri-Cities Airport. The purpose of the Modification #2 is to add additional funding for the Design Services on the new Baggage System changing from a "Mini Screening System" to a "Full Inline System". The upgrade in equipment reflects our current and future growth in enplaned passengers.

With additional TSA funding in place, Mead & Hunt has prepared Service Work Order #10 that increases project design costs by \$293,113.00, from \$133,439.00 for a not-to-exceed amount of \$426,555.00. This is the same dollar amount as the "OTA" that was modified and approved by the TSA in September. TSA will pay 95% of the increased design costs. Commissioner Ryckman moved and Commissioner Reimann seconded to approve and execute Modification #2 so that further design work on a "Full In-Line System" can proceed to completion. Motion carried unanimously.

Allegiant Airline Use Agreement – Mr. Foraker reported that the airlines received the 2017 rates and charges, the 2015 reconciliation calculation and the second amendment to the airline agreement in December of 2016. The amendment extends the term of the current airline operating agreement for 3 years. Allegiant returned the signed amendment that extends the operating agreement through

December 31, 2019. Commissioner Ryckman moved and Commissioner Reimann seconded to approve the second amendment to the Allegiant Airlines Operating Agreement. Motion carried unanimously.

ITEMS FOR DISCUSSION

December 2016 Financial Statement – Mrs. Havens discussed the December 2016 Financial Statement.

Tenant Delinquent List – Mrs. Havens discussed the current Tenant Delinquent List.

Economic Development Report – Mr. Ballew highlighted a few areas. There were an estimated 400 people that attended the ribbon cutting and about the same number took the tours. Staff also sponsored Tri-Cities Airport night at the Tri-City American game and worked with Travel Leaders to provide airline tickets as a publicity giveaway. Staff developed a coupon for free coffee/water for the airport opening. Buck and Gary welcomed people to the completed Airport and handed out the coupons starting at 4 a.m. on Tuesday morning.

Airport Director's Report:

1. Mr. Foraker informed Commissioners that there is a complaint from a Walla Walla resident regarding our long-term parking lot cost. Staff has surveyed other Washington State airports regarding the long-term parking lot fee calculation and will provide additional information at an upcoming meeting.
2. Mr. Foraker informed Commissioners that he attended a City of Pasco meeting regarding the Urban Growth Area "UGA" on February 7. Staff will continue to attend meetings that will affect airport growth.
3. Year to date enplanements for January 2017 were down 3% from January 2016. This decrease is attributable to the winter weather that the Tri-Cities has experienced. Parking lot increased 5%, restaurant growth increased 21% and car rentals are up 2%.
4. SCASD Grant update – Staff has met with all of the airlines currently serving the Tri-Cities Airport looking for their interest in providing Los Angeles service. Although there seems to be some interest timing is an issue as they won't be ready until 2018. American Airlines seemed to be quite interested. Further discussion with airlines will continue.

Airport Tower TRACON – Mr. Foraker informed Commissioners that the Federal Aviation Administration (FAA) has published their collaborative workgroup realignment recommendation for the PSC TRACON Facility. Their recommendation is to realign Pasco TRACON operations to Spokane (GEG) Tower/TRACON, as we thought they would. The 120-day public notification began December 21st and will run until June 21st and within the notification period there will be a 45-day "comment period" which we believe will begin in April.

Staff sent a letter on September 11, 2015 to then acting FAA Administrator Michael Huerta, with details of our facility and the negative impacts that realignment will have on the aviation community in Eastern Washington and Northern Oregon. Staff will prepare a position letter and request our Senators and Congressman to support keeping "Chinook Approach" in the Tri-Cities along with asking the business sector and greater aviation community to send letters.

Staff have visited with Hal Hiemstra, Matt McCarthy, and David Reeploeg and plan to rally their support along with other airports, cities, ports and the aviation communities.

DNR Meeting – Mr. Hayden reported to Commission that Commissioner Reimann, Gary Ballew, Pasco School Board Member Steve Christensen and he visited with the new Commissioner of Public Lands Hilary Franz and two of her key staff on February 10th at the DNR office in Olympia. Staff discussed the history of the proposed land purchase and the economic need for industrial development in Pasco. The Committee also discussed the Port’s request to purchase the DNR parcel adjacent to the PK Highway for our next industrial park. Ms. Franz was engaged, asked good questions, and directed her staff to provide some follow-up information. No decision has been made, however, staff feels that it was a good first step in familiarizing her with our issue. Staff will be following up.

RECESS

At 12:15 p.m., Commissioner Reimann recessed the meeting for thirty minutes for lunch. At 12:45 p.m., the meeting was reconvened.

EXECUTIVE SESSION

At 12:45 p.m., Commissioner Reimann announced that the board would go into executive session for forty-five minutes to consider the minimum price at which real estate will be offered for sale or lease; and to evaluate the qualifications of an applicant for public employment. At 1:30 p.m., Mr. Taft announced on behalf of the Port of Pasco Commissioners that executive session would be extended an additional 15 minutes. At 1:45 pm, Mr. Taft announced on behalf of the Port of Pasco Commissioners that executive session would be extended another 5 minutes. At 1:50 pm, the meeting reconvened.

ITEMS FOR ACTION/CONSIDERATION – Cont.

OP Suite 105 Lease – Commissioner Ryckman moved and Commissioner Reimann seconded to authorize the Executive Director to execute the lease with BDI, and make and accept such changes to the proposed lease, as provided to the Commission, that do not significantly alter the financial aspects and/or term, and that are approved by the Port attorney. Motion carried unanimously.

EXECUTED ITEMS

The Granite Guy – This is a local small business that supplies granite products to local contractors and needed space to expand. He has moved into the building at 900 W River (the building on the dock at the marine terminal). Lease value is \$16,444.56 per year.

Tri-City Delivery - Current tenant has been growing steadily for the last few years, and requires laydown/shop/parking space for storing and fixing his fleet of delivery vehicles. Previously this tenant was located in the marine terminal, but this lease will replace his two smaller locations with one larger one. This lease is for a building and land located at 2030 Crane Street. Lease value is \$15,378.00 per year.

Building 142, Bergstrom Rent Increase – Bergstrom Aircraft entered into an updated month-to-month lease agreement for building 142 with the Port of Pasco, effective January 2017. Bergstrom has leased Building 142 since 1994. This new lease updates to our current standard lease and increased the lease rate to fall into the average comparable range of other hangars on the airfield. Lease value is \$25,000 for one year.

ITEMS NOT ON THE AGENDA

1. Mr. Hayden informed that he has spoken to Tim Nies in regards to the fiber service. PUD has a good fiber service for Franklin County to support economic development efforts.
2. Port of Benton – The Northwest Seaport Alliance and the Port of Benton have put forth a proposal to form an inland port that could help move container traffic off of trucks and onto rail.
3. Mr. Ballew reported to Commissioners that he attended the World Ag Expo in Tulare, CA and the show went really well. He met and spoke with businesses about locating in Eastern Washington.
4. Mr. Taft and Mr. Foraker thanked the Commission and was very appreciative of their support with the outcome of the Airport Terminal Project. Staff is happy that the project is completed.
5. Mr. Reimann said that the project was a lot of fun and that he was happy the project was completed on-time and within budget.

EXECUTIVE SESSION

At 2:30 p.m., Commissioner Reimann announced that the board would return to Executive session for five minutes to evaluate the qualifications of an applicant for public employment. At 2:35 p.m., Dan Hultgrenn announced on behalf of the Port of Pasco Commissioners that executive session would be extended an additional 5 minutes. At 2:40 p.m., Dan Hultgrenn announced on behalf of the Port of Pasco Commissioners that executive session would be extended an additional 5 minutes. At 2:45 p.m., Dan Hultgrenn announced on behalf of the Port of Pasco Commissioners that executive session would be extended an additional 5 minutes. At 2:50 pm, the meeting reconvened.

ADJOURNMENT

The meeting adjourned at 2:51 pm

Port of Pasco Commission:



Ronald Reimann, President



Jean Ryckman, Vice-President



Jim Klindworth, Secretary

