

**Port of Pasco Commission**  
**Minutes of Regular Meeting of Port Commission**  
Held at 1110 Osprey Pointe Blvd., Suite 201., Pasco, WA 99301  
January 25, 2018 | 10:30 a.m.

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**CALL TO ORDER**

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

**Present:** Commissioner Jean Ryckman, Commissioner Jim Klindworth, Port Counsel Dan Hultgrenn, Executive Director Randy Hayden, Director of Properties Mayra Reyna, Director of Finance Donna Watts, Deputy Director of Airports Don Faley, and Administrative Assistant Audrey Burney

**Excused:** Commissioner Vicki Gordon, Director of Airports Buck Taft, Director of Marketing and Economic Development Gary Ballew

**Guests:** Paul Giever – President at Meier Architect Enterprises and Bill Barlow – Planning Manager at Benton Franklin Transit

**APPROVAL OF AGENDA**

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Commissioner Klindworth moved and Commissioner Ryckman seconded to approve the agenda with added agenda item 8.C. Musser Hangar Lease. Motion carried unanimously.

**CONSENT AGENDA**

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- a) Regular Meeting Minutes of January 11, 2018.
- b) Vouchers and Warrants #89275 - 89369 in the amount of \$674,426.06
- c) Business Center Covenants

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

**PUBLIC CITIZEN COMMENT**

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Planning Manager Bill Barlow with the Ben Franklin Transit system updated Commission and staff on partnering with Pasco in the future for more bus routes and road side amenities; shelter, benches, refuse cans, kiosks, bus stop signs/poles/info plaques, pedestrian and bicycle connections to get to bus stops: sidewalks, ADA, crosswalks, etc.

**PUBLIC HEARINGS & RESOLUTIONS**

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**Resolution 1478, Establishing Airport Fees** – Commissioner Klindworth moved and Commissioner Ryckman seconded to approve Resolution 1478 Establishing Airport Fees. Motion carried unanimously.

**ITEMS FOR ACTION/CONSIDERATION**

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**Unemployment Liability** – Mrs. Watts informed Commissioners that staff has looked into the Port's responsibility for unemployment claims. Since the Port chooses to self-insure our unemployment claims, the Port is liable for the full payment of claims. The Port's 2018 budget for salaries and benefits is \$4,870,000.

Aside from self-insuring, the other option for covering unemployment claims is to pay an annual tax of approximately \$35,000/year to the Employment Security Department who would then cover all

unemployment claims in full. Over the Past 18 years the Port has saved over \$570,000 being self-insured.

Given the low claim history and the significant savings realized by self-insuring, staff recommends remaining self-insured for unemployment claims and to fund the unemployment risk through the current restricted operating reserve account. Commissioners agreed and took no action to change the current method of self-insurance.

## **PUBLIC HEARINGS & RESOLUTIONS**

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**Resolution 1479, Commission Restricted Operating Reserve Account** – Commissioners agreed that they would like to review this topic at the annual 2019 capital budget discussion. Commissioner Klindworth moved and Commissioner Ryckman seconded to approve Resolution 1479, governing the use of the Commission restricted Operating Reserve Fund. Motion carried unanimously.

## **ITEMS FOR ACTION/CONSIDERATION**

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**Amend Fuel Flowage** – Mr. Faley reported the airport has three fueling providers on the airport – Bergstrom Aircraft, Tri-City Aviation and Doug Watts. They are currently required to pay Washington State Leasehold Excise Tax, Washington State Sales Tax as well as our local flowage fee on the sale of aviation fuel. Staff would like to amend the leases so that the fuel flowage fees are clearly separated from leasehold rents and the accompanying leasehold excise tax.

Commissioner Klindworth moved and Commissioner Ryckman seconded to authorize the Executive Director to amend the leases with Bergstrom Aircraft, Tri-City Aviation and Doug Watts regarding aviation fuel flowage fees. Motion carried unanimously.

**T-131 Lease Proposal – Hancock Fabrication** – Mrs. Reyna brought forward a proposal from Hancock Sandblast & Paint LLC. They proposed a 3-year term lease for T-131 and the Doublewide Office at Big Pasco. They would be making improvements to the doublewide as well as moving their main operation to the Port after the lease at their current location runs out. Hancock has requested to pay a rate that is lower than the published rate. Staff will further discuss the minimum lease price in executive session.

**Scott Musser Hangar** - Mr. Hayden reported that Tim Bush would like to purchase Scott Musser's existing hangar. Commissioner Ryckman moved and Commissioner Klindworth seconded to approve terminating Scott Mussers hangar lease and to authorize the Executive Director to concurrently sign a new lease with Tim Bush along with any minor modifications needed with the approval of Port Counsel. Motion carried unanimously.

## **ITEMS FOR DISCUSSION**

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

**Connell Investments** – Mr. Hayden discussed options for a Connell investment. Commissioners indicated they would like to table the decision until Commissioner Gordon was present. In addition, Commissioners requested that staff solicit letters from the City Council and other groups requesting the preferred option for investment in Connell.

## **Airport Deputy Director's report**

### **Airport Deputy Director's report**

Mr. Faley reported:

1. Signed annual maintenance agreement for preventive maintenance at the Airport terminal with Apollo Heating.
2. The board with the Pacific Northwest Aviation Museum had a misunderstanding with their lease on who was responsible for roof repairs. They would like the Port to pay for some repairs but the Port pointed out the lease states that the lessee is responsible for repairs and that they pay a reduced rent for that building because of its poor condition. The Port has already invested \$189,000 to rehabilitate the tower building in support of the air museum.
3. Signed a \$10,000 de-icing wastewater management agreement with JUB engineers. They start up the de-icing waste collection system and monitor throughout the de-icing season.
4. Signed a pavement management task order with JUB. Every 5 years we have a pavement plan. JUB monitors our pavement condition index.

### **Executive Director's Report**

Mr. Hayden reported:

1. Mr. Taft is in Olympia for Leadership Tri-Cities and Mr. Ballew is over in Olympia with the Tri-Cities Legislative Council.
2. He was over in Olympia advocating for CERB funding in the supplemental capital budget.
3. There is also money for CERB to administer a broadband grant/loan program in rural areas for economic development growth. We met with Rep. Mary Dye who is sponsoring a bill to grant Ports additional broadband development authority.
4. He had a phone conversation with DNR expressing that the Port of Pasco will be getting an independent appraisal on the East Pasco land.
5. Staff received a signed copy of the water rights purchase. We purchased 65 acres and will be offered the opportunity to purchase an addition 40 acres of water rights in 2018 when additional land is sold. Staff will directly transfer the water into the Columbia River.
6. Staff received notice that Battelle has finished reviewing the lease and has made comments. Staff will review with Port Counsel and hopes to have the executed lease at the next Commission meeting.
7. A1 Hospitality Financer returned lease with comments. Staff and Port Counsel will review.

### **Commissioners Report**

Commissioner Ryckman reported:

1. She attended Ports Day in Olympia to discuss issues of port significance with state legislators and officers.

### **RECESS**

At 12:05 p.m., Commissioner Ryckman recessed the meeting for a fifteen-minute lunch break. At 12:20 p.m. the meeting was reconvened.

### **Other Staff Reports**

Mrs. Reyna informed Commission that there is some interest in leasing a portion the Parson's Office Building. The prospective tenant would like to start with an initial lease in March for ¼ of the building and the company anticipates to occupy half the building by July 2018. After that they would like to lease that space for up to 3 years until they become an anchor tenant for new space at Osprey Pointe.

## **EXECUTIVE SESSION**

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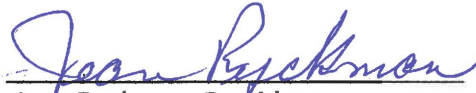
At 12:40 p.m., Commissioner Ryckman announced that the board would go into executive session for ten minutes to consider the minimum price at which real estate will be offered for sale or lease. At 12:50 p.m. Port Counsel announced executive session is extended an additional five-minutes. At 12:55 p.m. the regular meeting was reconvened.

## **ADJOURNMENT**

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The meeting adjourned at 12:56 p.m.

Port of Pasco Commission:

  
Jean Ryckman, President

  
Jim Klindworth, Vice-President

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Vicki Gordon, Secretary