

Port of Pasco Commission
Minutes of Regular Meeting of Port Commission
Held at Tri-Cities Airport, 3601 N. 20th Ave, Pasco, WA 99301
September 27, 2018 | 10:30 a.m.

CALL TO ORDER

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

Present: Commissioner Jean Ryckman, Commissioner Jim Klindworth, Commissioner Vicki Gordon, Executive Director Randy Hayden, Port Counsel Dan Hultgrenn, Director of Airports Buck Taft, Director of Properties Mayra Reyna, Director of Economic Development Gary Ballew, Director of Finance Donna Watts, Deputy Director of Airports Don Faley, Human Resources Vicky Keller and Administrative Assistant Audrey Burney

Guests: Thomas P. Kastner – Meier Architect, Scott Musser – Musser Brothers Auction, Kirt Shaffer – Tippet Company

APPROVAL OF AGENDA

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

ITEMS FOR DISCUSSION

Tri-Cities Airport Business Center Covenants – Mr. Ballew recapped the two reasons Mr. Musser attended the meeting:

- Parking of large equipment at the auto auction – A school bus and a construction trailer was parked in a visible spot for a few weeks in the Auto Auction parking lot. The lease requires that these vehicles be parked behind the auto auction building, which is being used for the intake of cars.
- Advertising banners – 4 foot tall and 25 feet long banner, which is discouraged per guidance in the Business Center covenants.

Mr. Musser informed Commissioners and staff that he has sold 280 vehicles in their first three auctions, providing \$53,000 of state sales tax. They have six full-time employees and soon there will be eight. They have 15 part-time employees and they have interacted with 1,192 different bidders from 19 states. Mr. Musser was trying to identify what vehicles were allowed by his lease. He had photos of vehicles he has sold at different auto auctions for discussion.

The lease language states:

“Lessee shall use the premises for an auto auction, which shall by definition include autos, recreational vehicles, pickups, boats, sport utility vehicles, all-terrain vehicle and motorcycles. From time to time, items that do not fit the definition of auto auction, may be auctioned by the Lessee. Such practice is acceptable as long as those auction items are stored in an enclosed building meeting the requirements of the covenants and restrictions as set forth in Exhibit C, or if the items are too large to fit within an enclosed area they must be stored in the area shown in Exhibit D as the Large Equipment Area. Use includes other activities necessary and incidental thereto of an auto auction, with the limitation that auction items shall not be stored on the premises longer than sixty (60) days. Lessee shall not use the premises for any other purpose without the written consent of the Port.”

Commissioners agree that they like the design of the Auto Auction and his new hangar. The area looks great and they want his business to work for him. They discussed the process for modifying the covenants and the terms of the lease that took many meeting to agree on.

Commissioner Ryckman does believe that Mr. Musser’s sale of the bus and construction trailer does not fit in with the lease language. She has also heard many complaints from her neighbors and residents of Sunwillows asking why the Port of Pasco has allowed an auto auction on Argent She noted concerns about the traffic in this area.

Commissioner Gordon appreciated the auto auction appearance. She indicated she was not part of the discussion that lead to the lease language. She believes that a broad interpretation of the lease language would be supportive of the auto auction and that it is something the Port should consider.

Commissioner Klindworth wanted additional time to consider.

Mr. Ballew noted that the Port of Pasco did adjust the covenants at the Tri-Cities Airport Business Center so that Musser Bros Auction could have auto sales west of Morasch Lane. The language in the lease was agreed on by Commissioners to prevent an unappealing visual.

Mr. Musser did ask Commissioners if he could put up a 4 foot tall and 25 foot long banner on the Fence by Argent advertising, “Public Auction” or something to that extent. Letting the passerby’s know that this is a public auction and not a private auction. He is not needing an answer today. He would like them to think about it and take it into consideration.

CONSENT AGENDA

- a) Regular Meeting Minutes of September 9, 2018
- b) Vouchers and Warrants # 90638 – 90717 in the amount of \$531,557.52

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

ITEMS FOR ACTION/CONSIDERATION

Public Market Report – Mr. Ballew recapped the group who has been involved with the Public Market - the Steering Committee, City of Pasco, the Public Market Consultant and the Port of Pasco. Mr. Ballew indicated the group is still reviewing the report provided by the consultant. He shared the Public Market Study Site Selection criteria and weighting information that compared the two sites under consideration.

Criteria	Weight	Raw Score		Weighted Score		Point Differential
		Marine Terminal	Downtown Pasco	Marine Terminal	Downtown Pasco	
Size, opportunities for expansion	10	10	8	100	80	20
Accessibility	10	7	6	70	60	10
Visibility	5	7	4	35	20	15
Ability to create a welcoming public space	5	10	7	50	35	15

Environment/Attractive of surrounding area	5	8	5	40	25	15
Consumer preferences	10	7	3	70	30	40
Parking	8	5	3	40	24	16
Supportive Context	5	4	7	20	35	-15
Impact on Pasco Farmers' Market	5	4	10	20	50	-30
Circulation and loading docks	5	5	7	25	35	-10
Subtotal		67	60	470	394	76
Ease and cost to secure	5	10	8	50	40	10
Cost to develop	15	4	7	60	105	-45
Timeline/complexity of development	12	3	8	36	96	-60
Subtotal		17	23	146	241	-95
Total	100	84	82	616	635	-19

RECESS

At 11:36 a.m. Commissioner Ryckman recessed the meeting for an hour and fifty-four minutes for the Tri-Cities Airport tenant appreciation BBQ. At 1:30 p.m. the meeting was reconvened.

ITEMS FOR DISCUSSION

Real Estate Sale and Acquisition – Mrs. Reyna reported that she has had a couple of inquiries for land at Foster Wells Business Park. Both inquiries are from local companies, but neither company has submitted an offer or letter of intent.

EXECUTIVE SESSION

At 1:35 p.m., Commissioner Ryckman announced the board would go into Executive Session for thirty minutes to discuss with legal counsel representing the agency to consider the selection of a site or the acquisition of real estate by lease or purchase and to consider the minimum price at which real estate will be offered for sale or lease. At 2:05 p.m., Mr. Taft announced on behalf of the Port of Pasco Commissioner's that executive session would extend an additional thirty minutes. At 2:35 p.m. the meeting was reconvened.

Excusal of Commissioner – At the end of the Executive Session Commissioner Gordon moved and Commissioner Ryckman seconded to excuse Commissioner Klindworth from the meeting due to an illness. Motion passed unanimously.

PUBLIC HEARINGS & RESOLUTIONS

Resolution 1494 – Medical Reimbursement Plan – Miss. Keller summarized the two separate items for Commission consideration regarding the Port of Pasco Medical Reimbursement Plan.

1. At the September 6, 2018 meeting, Commissioners approved the 2018-2019 medical insurance which increased the deductible for an employee from \$750 to \$1,500 and for a family from \$1,500 to \$3,000, as well as increasing the out-of-pocket expense for an employee from \$4,000 to \$5,000 and a family from \$8,000 to \$10,000. This plan goes into effect October 1st of 2018, staff requested the Commission amend the current medical reimbursement plan to

allow employees to receive reimbursement based on the new out-of-pocket limits for the calendar months of October 1 through December 31, 2018.

- Port staff submitted Resolution 1494, reauthorizing the Medical Reimbursement Plan for the calendar year January 1 through December 31, 2019 and authorizing Verde Services to administer this plan.

Commissioner asked staff if they could bring this back to the next meeting and have Dave Gyll with Conover attend the next meeting.

ITEMS FOR ACTION/CONSIDERATION

Car Rental Wash Facility Design – Commissioner Gordon moved and Commissioner Ryckman seconded to approve the agreement with Mead & Hunt for the Design of the QTA in the amount of \$564,125 to be paid for the funds from the CFC account. Motion passed unanimously.

Change Order for the GA Ramp soil issue – Mr. Faley informed Commissioners that the contractor working on the GA Apron project located contaminated soil under a concrete section of the apron. This soil needed to be properly disposed of to continue with construction work. Staff and JUB have been in contact with the FAA ADO regarding this matter and the ADO agreed that this would be covered under our AIP Grant for the project. The increase of the estimated cost was due to the fact that the contractor did not take into account the moister weight in the soil and this required them to used additional containers to deliver the contaminated soil to the approved waste site.

Commissioner Gordon moved and Commissioner Ryckman seconded to authorize the Director of Airport to sign change order #4 for the GA Apron project in the amount of \$122,931.10 that includes sales tax. Motion carried unanimously.

Battelle Hangar: Reject All Bids – Mr. Faley reported that on September 11th at 2:00 p.m., the bids were opened for the Battelle Hangar Project. The bid included 1 base bid, 1 bid for trench and safety and 5 additive alternates. The architect’s estimate was \$2,928,120.00 including sales tax, and the low base bid, including sales tax, was \$3,411,017.00 this was approximately 16% over the architect’s estimate. All bids are below.

Port of Pasco - PNNL Battelle Hangar Bid

Constructor	Base	Base Including Sales Tax	Trench excavation and Safety	Excavation including Sales Tax	Add Alternate #1	Alt 1 including Sales Tax	Add Alternate #2	Alt 2 including Sales Tax	Add Alternate #3	Alt 3 including Sales Tax	Add Alternate #4	Alt 4 including Sales Tax	Add Alternate #5	Alt 5 including Sales Tax
Rostschy Inc	3,971,100.00	4,312,615	500	543	149,000	161,814	105,000	114,030	22,000	23,892	9,450	10,263	125,000	135,750
Sieffen & Sons	3,140,900	3,411,017	500	543	115,000	124,890	227,000	246,522	25,000	27,150	8,000	8,688	58,000	62,988
Apollo Inc	3,399,000	3,691,314	1	1,086	82,800	89,921	137,000	148,782	20,400	22,154	11,100	12,055	138,900	150,845
Tapani Inc	4,140,000	4,496,040	2,000	2,172	156,000	169,416	240,000	260,640	27,000	29,322	14,000	15,204	125,000	135,750
Total Site Services	3,580,000	3,887,880	1	1,086	107,000	116,202	280,000	304,080	78,000	84,708	10,500	11,403	87,000	94,482
Halme Builders	3,600,000	3,909,600	500	543	100,000	108,600	250,000	271,500	25,000	27,150	15,000	16,290	100,000	108,600
Blew's Construction	3,682,000	3,998,652	1,000	1,086	274,000	297,564	380,000	412,680	38,000	41,268	12,000	13,032	92,000	99,912
DGP Grant Construction	3,485,000	3,784,710	1,000	1,086	116,000	125,976	270,000	293,220	21,000	22,806	12,000	13,032	107,000	116,202
MH Construction	3,349,000	3,637,014	1,000	1,086	132,500	143,895	73,500	79,821	25,000	27,150	10,500	11,403	94,000	102,084

At the September 9, 2018 Commission meeting, Commissioners approved to authorize the Executive Director to award the construction of the Battelle Hangar, as long as the bids were no higher than 10% above the architect’s estimate. Staff is working with Battelle and the Architect to find cost saving measures, so this project could be rebid within the next few weeks.

Commissioner Ryckman moved and Commissioner Gordon seconded to reject current bids for the Battelle Hangar Project and rebid the project when staff believes the cost saving measures are completed to begin the project within budget. Motion carried unanimously.

City of Pasco Interlocal Agreement for Maitland Ave Waterline – Mr. Hayden summarized that part of the construction for the City of Pasco’s new Fire Department Training Facility being constructed north of their building will include extending a water main for fire hydrants. The City is willing to pay for and extend the water main to meet their needs, and asked if the Port would like to pay the costs to upsize the main to serve the remainder of the Port’s property along Maitland Ave. The Port’s portion of the \$78,125.47 project cost would be \$32,000.

Commissioner Gordon moved and Commissioner Ryckman seconded to approve the interlocal agreement with the City of Pasco for construction of the Maitland Ave Waterline. Motion carried unanimously.

ITEMS FOR DISCUSSION

Connell Welcome Center – Mr. Hayden arranged an open house with North Franklin community members to receive feedback on proposed plans for the North Franklin Visitors Center. Feedback was very positive with suggested changes regarding bathroom locations and increased storage space. Commissioners expressed support for Connell Welcome Center.

Director Reports:

1. Executive Director
 - a. Riverfest 2018:
 - i. There were about 3,000 – 5,000 people attended.
 - ii. People commented that it was great publicity for the Dams, they liked the educational activities.
 - iii. Riverfest group is planning next year’s festival.
 - b. PCA (Boise Cascade) – 1st barge will be coming on October 2, 2018.
 - c. Request for Lendor Agreement – Hotel at the Tri-Cities Airport Business Park. Commissioner Gordon moved and Commissioner Ryckman seconded to approve the Executive Director to sign a subordination agreement that is approved by Port Counsel. Motion carried unanimously.
2. Airport Director
 - a. FAA Reauthorization –
 - i. Five-year Bill
 - ii. Keeps the cap on PFC’s (No increase in the next 5 years)
 - iii. Keeps AIP Flat
 - iv. First five-year bill since 1982
 - v. Kept the LEO reimbursement program in place
 - vi. Kept the TSA exit lane in.
 - vii. Created a five-year term for the TSA Administrator instead of an 18-month term.
 - b. Airport statistics
 - i. Alaska is up 17%
 - ii. Allegiant is down 9%
 - iii. Delta is up 10%
 - iv. United is down 1%
 - v. Total passengers are up 9% for the month and 2% for the year.

- c. The Airport has received 14 submissions for Art in the terminal. The team is going through the art submittals.
 - d. Ramp Painting Project – Executive Director signed an agreement with Stripe Rite for removing and painting the air carrier ramp. Agreement is for \$59,355.33. This project was competitively bid.
- 3. Finance Director
 - a. Provided a preliminary budget to Commissioners.
 - b. Discussed the Audit. Commissioner Gordon attended the Exit Audit.
 - c. Donna and Diana attended the Washington State finance Officers meeting in Vancouver, WA.
 - 4. Properties Director
 - a. Discussed the properties report.
 - 5. Commissioner Reports
 - a. Commissioner Ryckman attend the meeting in Kalama.
 - b. She is attending a Washington DC Trip in Conjunction with PNWA in December 12 – 13, 2018.
 - 6. Deputy Airport Director
 - a. Monday, September 24, 2018 Mr. Faley attended the Tabletop Emergency Exercise. Attendees were the Airlines, Pasco Fire Department; Kennewick Police Department, Pasco Police Department.
 - b. Next year will be the full triangular exercise.

Executed Items: The Executive Director has signed the following agreements in accordance with the Port’s Delegation of Authority Policy.

- 1. **Apollo Sheet Metal** – One-year term lease at the Tri-Cities Airport Industrial Center, building #141 located at 3409 Stearman Ave. Lease value is \$20,400.00 per year.
- 2. **Pasco Jaycees License Agreement** – Will be using 1.54 acres located behind building T1-2010 (2326 E Ainsworth Ave) every Friday and Saturday throughout the month of October for the Haunted Forest at Sacajawea State Park. Lease value is \$468.93 for the month of October.

CALENDAR OF EVENTS

Commissioners and staff discussed the calendar of events.

ADJOURNMENT

The meeting adjourned at 3:52 p.m.

CALL TO ORDER

Commissioner Ryckman called the meeting to order at 3:53 p.m.

ITEMS FOR DISCUSSION


Leggari Products – Mr. Tim Krumland with Leggari Products sent us a Lessor’s agreement from their Lender Washington Trust Bank. Port counsel has approved the document with changes. Commissioner Gordon moved and Commissioner Ryckman seconded to approve the Executive

Director to sign the Lessor's Agreement that as approved by Port Counsel. Motion carried unanimously.


ADJOURNMENT

The meeting adjourned at 3:56 p.m.

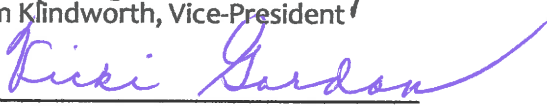
Port of Pasco Commission:



Jean Ryckman, President



Jim Klindworth, Vice-President



Vicki Gordon, Secretary

