

Port of Pasco Commission
Minutes of Regular Meeting of Port Commission
Held remotely with Public Access
March 26, 2020 | 10:30 a.m.

CALL TO ORDER

Commissioner Klindworth called the meeting to order at 10:30 a.m. The meeting was attended remotely by all participants via Zoom and with Public Access through call in to 1-888-721-8686, conference ID 5473370.

Present: Commissioner Jim Klindworth, Commissioner Vicki Gordon, Commissioner Jean Ryckman, Executive Director Randy Hayden, Port Counsel Dan Hultgrenn, Director of Airports Buck Taft, Director of Economic Development Gary Ballew, Director of Finance Donna Watts, Director of Properties Mayra Reyna, Deputy Director of Airports Don Faley, Executive Assistant & Human Resources Lori French.

Guests: Michelle Andres

APPROVAL OF AGENDA

Commissioner Gordon moved and Commissioner Ryckman seconded to approve the agenda with the addition of Items 7.B., 8.D. and 8.E. Determining that all agenda items were “1) matters necessary and routine, 2) necessary to respond to the outbreak and current public health emergency” per Governor’s Proclamation 20-28. Motion carried unanimously.

CONSENT AGENDA

- a) Regular Meeting Minutes of March 12, 2020.
- b) Vouchers and Warrants #93785-93884 & Direct Deposit #20150-20189 in the amount of \$844,314.59.

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

PUBLIC CITIZEN COMMENT

- a) Michelle Andres, public citizen, presented information regarding the Draft EIS on the Lower Snake River Dams, and requested that Commission issue a letter for ESA exemption.

ITEMS FOR ACTION/CONSIDERATION

Resolution 1529, Changing the date of the second June 2020 Commission Meeting – Port of Pasco Commissioners elected to change the date of the second June 2020 Commission Meeting.

Commissioner Ryckman moved and Commissioner Gordon seconded to adopt Resolution No.1529, changing the date of the second June 2020 Commission Meeting to June 22, 2020 at 10:30 a.m. Motion passed unanimously.

Resolution 1530, Authorization of the Port of Pasco Application to CERB - Mr. Ballew reported that the Community Economic Revitalization Board (CERB) of the State of Washington Department of Community Trade and Economic Development is authorized to make grants and loans for infrastructure planning for qualified applicants of Washington State Municipalities, including the Port

of Pasco, and requests that the Port of Pasco be allowed to submit an application for a \$50,000.00 grant to be used in the Master Planning phase of development along with designated Port Funds for the Reimann Industrial Center.

Commissioner Gordon moved and Commissioner Ryckman seconded to adopt Resolution No. 1530 authorizing the Executive Director to submit an application to the Community Economic Revitalization Board (CERB) grant in the amount of \$50,000.00. Motion passed unanimously.

ITEMS FOR ACTION/CONSIDERATION

Second Harvest, Restrictive Covenant Request- Mr. Hayden reported that when the Port of Pasco sold land to Second Harvest in 2012, a restrictive covenant was put in place prohibiting the distribution of food products directly to the consumer or end user from that location. Second Harvest is now requesting a temporary variance to allow direct food distribution until June 30th in response to the COVID-19 outbreak. The variance would self-expire on June 30, 2020 unless it was mutually agreed to extend.

Commissioner Ryckman moved and Commissioner Gordon seconded to grant Second Harvest of the Inland Northwest a temporary variance to the restrictive covenant recorded on January 18, 2012 under Auditor's File Number #1777322, such variance to allow emergency food distribution to individuals seeking food assistance in response to the pandemic outbreak of COVID-19. Distribution will be allowed to take place at the Second Harvest Inland Northwest facility at 5825 Burlington Loop, Pasco and will remain in effect through June 30, 2020 and may be extended if the parties agree at the time of the variance expiration.

Rental Car Parking Agreement- Mr. Taft reported, the car rental companies at the airport are experiencing very low transaction days due to the situation with COVID-19. As a result, the inventory of available cars onsite has exceeded the available parking spots the car rentals currently occupy. The car rental companies have requested to use the gravel lot behind the current ready/return lot for overflow parking at no charge.

Commissioner Gordon moved and Commissioner Ryckman seconded to approve the usage of the gravel lot, for 30 days for rental car overflow parking at no charge, with authority granted to the Executive Director and the Director of Airports to reevaluate the agreement and make an extension if necessary. Motion passed unanimously.

Infectious Disease Policy- Mr. Hayden presented, in response to the COVID-19 pandemic, most public agencies are putting in place an infectious disease policy that allows their management staff to take action on response plans, staff absence and compensation, resources for recovery, and other related matters. The purpose of such policies is to allow a quicker response to rapidly changing health conditions and state and federal directives, as well as provide authority in the event of a loss of quorum of the Port Commission due to illness. Mr. Hayden requested approval of Personnel Policy 830-Infectious and Communicable Disease Preparedness.

Commissioner Ryckman moved and Commissioner Gordon seconded the acceptance of Personnel Policy 830-Infections and Communicable Disease Preparedness. Motion passed unanimously.

Increase Loss of Business Insurance- Ms. Watts presented on the Port's property insurance blanket business income/extra expense with Enduris. Business income/extra expense is an insured amount that covers loss of net income over a period of 3 years. Staff reviewed limits in December of 2019 and determined that the amount of insurance was insufficient for the airport terminal and Big Pasco warehouses. Enduris bonded the Port with the amount recommended from the finance director on January 9, 2020 with the expectation that the Finance Director was to provide backup to the number provided. The Finance Director worked with the Airport Director to determine what air traffic would do and what would need to be done during a period of 3 years if the terminal had to be rebuilt. The Finance Director also worked with the Port Executive Director to determine income and extra expenses in regard to if 50% of the warehouses were destroyed. The Port showed a loss of 35% at the Terminal outside of airline contracts and a loss 50% for the warehouse. The backup provided an amount equal to 10,982,381. Staff recommended to approve the increase in business income/extra expense with Enduris for an additional \$8,801 in premiums.

Commissioner Gordon moved and Commissioner Ryckman seconded to accept Enduris insurance Blanket Business Income/Extra Expense for the 2019/2020 policy year effective January 9, 2020 to August 31, 2020 with a limit of \$10,982,381. Motion passed unanimously.

Late Payment Fees- Mr. Hayden presented the idea of electing to suspend late payments and fees to tenants on a case by case basis in response to the COVID-19 emergency. Commission elected to discuss further along with other COVID-19 related items later in the agenda.

ITEMS FOR DISCUSSION

2020 Bond Discussion- Ms. Watts reported, Port staff have started the process to issue new bonds in the public market replacing the 2010 bonds and 2019 HAEIF bond. Commission asked if staff could issue bonds to pay the Port back for cash used to purchase land from Balcom & Moe. Port's bond counsel advised the Port that they can issue a bond to pay back the funds used to purchase the land at any time as long as it is a taxable bond. Different guidelines apply for tax-exempt bonds.

Since the Port's last commission meeting, the bond market and the economy has become very volatile. Staff recommends continuing the process of refunding the 2010 bonds and the 2019 HAEIF bond but delay taking out additional debt until a future period. Staff will continue to monitor the bond market for an opportune time to take the new issue to the market.

COVID-19 Response-

1. **Minimum Annual Guarantee-** Mr. Taft discussed, the Airport has a few agreements that contain a Minimum Annual Guarantee (MAG). This is a payment based on revenue and paid either monthly or on an annual basis. Staff has heard from Tailwind, Republic Parking and all of the Rental Cars asking for a relief in payment. Staff asked commission to delay sending invoices to these tenants until there is a better understanding of the stimulus bill passed by Congress and guidance by the FAA on how to handle rent waver requests. Staff is recommending further discussion at the next Commission meeting, with possible action to be taken at that time.

2. Tenants- Mr. Hayden discussed the likelihood of tenants requesting financial relief. Staff is working on compiling a list of resources for Port tenants, as well as, working with the Chambers of Commerce to provide this information for small businesses in the community. In response to the likely requests, Staff recommended considering the suspension of late fees and interest for tenants pertaining to COVID-19 on a case by case basis.

Commissioner Ryckman moved and Commissioner Gordon seconded to grant the Executive Director the authority to waive late fees and interest on a case by case basis, and to prepare guidelines that will be used to determine if each waiver request is justified in relation to COVID-19 business impacts. Motion passed unanimously.

3. Port Administrative Actions- Mr. Hayden discussed the measures in progress to respond to COVID-19, this includes the delay or cancellation of consulting and construction projects, evaluation of staff expenses, and the process undertaken to determine essential employees and the telecommuting option for non-essential employees.
4. COVID-19 Benefits Available- Mr. Hayden presented a worksheet on Port leave scenarios and benefits that was prepared by Ms. French.

RECESS

At 12:22 p.m., Commissioner Klindworth recessed the meeting for lunch. At 12:45 p.m. the regular meeting was reconvened.

Director Reports:

1. Executive Director
 - a. Maintenance Supervisor, Todd Meyers, and maintenance employee Steve Dearing are retiring effective March 31, 2020.
 - b. Maintenance employee Eric Garza has been hired as the Big Pasco Maintenance Supervisor.
 - c. Upon the recommendation of Eric Garza, the Port has donated N95 masks to Lourdes Hospital in response to COVID-19.
 - d. A letter from the Port has been sent in response to the comment period for the Draft EIS of the Columbia and Lower Snake River Dams. An extension of the 45-day response period is expected.
 - e. Wave Architects has been hired to design the remodel of an existing building into the new North Franklin Visitors Center.
2. Airport Director
 - a. TSA has reported an 89% decrease in passengers nationally.
 - b. TCA had an estimated average of 692 passengers a day in March of 2019, and an estimated 197 passengers a day in March of 2020.
 - c. TCA has created a parking plan with Mead and Hunt to fulfil airplane parking requests.
 - d. Alaskan Airlines has reached out formally and is reviewing the parking plan. Delta and United have reached out informally.

- e. Tailwinds has drastically changed their service offerings; this includes a limited menu and delivery.
3. Economic Development & Marketing Director
 - a. BHW1 Digital Marketing Ad Campaign recap.
 - b. Postponed planned marketing promoting of the new Chicago flight.
4. Deputy Airport Director Report
 - a. The Battelle Hangar is near completion but has been put on hold for 14 days due to the Stay at Home order.
 - b. Possible Delay on the Taxiway A project as well due to the State's Stay at Home Policy.
5. Finance Director
 - a. Accounting staff is focused on finishing the Annual Report for 2019.
 - b. WPPA Finance Committee has decided to cancel the upcoming conference due to travel cuts and concerns and is considering putting sessions online for topics like GASB 87 and COVID-19 navigation.
6. Properties Director
 - a. Property Activities Report (PAR) recap.
 - b. BNSF Agreement review, no definite agreement at this time.
 - c. Previous Port of Pasco administration building was scheduled to be leased by the proposed Osprey Pointe developer starting April 1st, but the move-in date has been postponed due to the Stay Home Stay Healthy order.

Commissioners' Reports - Commissioner Ryckman noted the WPPA was keeping upcoming meetings in discussion, and that COVID-19 has changed the focus.

Commissioner Gordon noted that she was impressed with what Mr. Ballew had accomplished to get Zoom in place for the meeting.

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

1. IEDS W2B1 Lease Amendment- Mr. Hayden executed a month to month lease amendment with Inland Empire Distribution Systems, Inc. to increase their square footage to 43,200 sq. ft. The lease value is \$12,506.78 per month.

CALENDAR OF EVENTS

Commissioners and staff discussed the calendar of events.

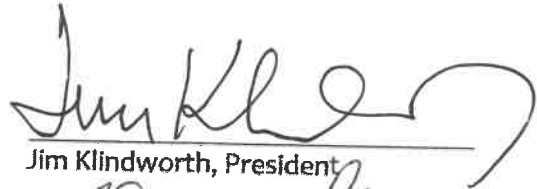
EXECUTIVE SESSION

No Executive Session.

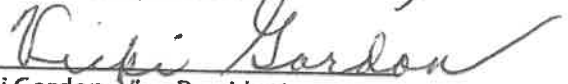
ADJOURNMENT

The meeting adjourned at 1:16 p.m.

Port of Pasco Commission:



Jim Klindworth, President



Vicki Gordon, Vice-President



Jean Ryckman, Secretary