

Port of Pasco Commission
Minutes of Regular Meeting of Port Commission
Held remotely with Public Access
July 23, 2020 | 10:30 a.m.

CALL TO ORDER

Commissioner Klindworth called the meeting to order at 10:41 a.m. The meeting was attended remotely by all participants via Zoom and with Public Access through call in to 1-301-715-8592, meeting ID 6676918983.

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

Guests: Scott Bauer from NW Municipal Advisors

Dave Guyll and Jamie Carlock from Conover Insurance

Wendy Culverwell from Journal of Business

APPROVAL OF AGENDA

Commissioner Gordon moved and Commissioner Ryckman seconded to approve the agenda with the addition of Item 8.D., 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 20-28.2 Motion passed unanimously.

CONSENT AGENDA

- a) Regular Meeting Minutes of July 9, 2020.
- b) Vouchers and Warrants #94424-94488 & Direct Deposit #20476-20515 in the amount of \$849,712.91.
- c) Accept as complete T-1 2010 Exhaust System.
- d) Personnel Policy 2200 Automobile Usage Revision.

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

Public Hearings and Resolutions

Resolution 1535-Bond Refunding for 2010 Bonds- Mr. Bauer presented the Outstanding Non-Voted Bonds Summary to the Commission. Ms. Watts noted that the Port is ready to go out for sale of bonds on August 11, 2020 and in order to do so Commission needs to pass a resolution delegating authority to the Port’s designated representative to set final terms of the sale and issuance of the bond.

Commissioner Ryckman moved and Commissioner Gordon seconded to adopt Resolution 1535 authorizing the port to issue limited tax general obligation refunding bonds. Motion passed unanimously.

Items for Action/Consideration

HAEIF Loan Amendment -Ms. Watts presented to the Commission, the Hanford Area Economic Investment Fund approved the Port's request to lower the interest rate on the 2019 HAEIF bond from 4.125% to 3.25%. The semi-annual payment will be reduced from \$83,457.46 to \$76,812.04 with a total savings of \$259,171 over the life of the loan. HAEIF has prepared a loan modification agreement reflecting the change in the interest rate and payment amount.

Commissioner Gordon moved and Commissioner Ryckman seconded to authorize the Executive Director to sign the Hanford Area Economic Investment Fund Financing Agreement and Promissory Note Modification changing the interest rate to 3.25% and semi-annual payment amount to \$76,812.04.

Change Order for Battelle- Mr. Faley requested no action from the Commission at this time, due to the need for further review on the bid documents.

Hyster/Top Loader Sale- Ms. Reyna presented that the Port has received an offer of \$20,000 to purchase the 1994 Hyster/Toploader that was used to move containers around the container yard, and as a backup to Zen-Noh Hay. The Toploader has not been used in the last 2 years or so, and it was used infrequently before then. The offer is for significantly less than the assessed value used by Enduris for our property insurance. Comm. Klindworth pointed out that the Enduris value is likely a replacement cost, not "as-is". Staff believes that due to the lack of usefulness for the Port, the equipment should be offered as surplus and disposed under sealed bid process.

Commissioner Ryckman moved and Commissioner Gordon seconded to surplus the Hyster/Toploader, offer it for sale "as-is" via sealed bid to the highest bidder, and to authorize the Executive Director to either execute documentation that may be required for the sale or to reject all bids if the offered price does not meet minimum expectations.

Lease Termination Request- Ms. Reyna presented, TerraGraphics is a local engineering firm that occupies a portion of an office building located at 2926 E. Ainsworth in Big Pasco. Staff has a request from them asking to be released from the remainder of their lease, as they have been having financial difficulties due to a variety of reasons. They have a three-year lease that started March 15, 2018 for 5,807 sf of building T1-2010 at a rate of \$10.50 psf with a CAM fee of \$1.73 psf. Their lease was scheduled to end March 31, 2021.

Recently, they have downsized their operation to the point that they have had no employees occupying the space the last 2 months. They initially met with staff in February to inform us they would be downsizing, initially due to Hanford delays in projects and most recently because of the unforeseen COVID pandemic hardships.

Leggari Products, who is a current lessee of the Port in the same building, has expressed an interest in leasing the remainder of the building at some point as they are planning on expanding. The Port's mission is to support small businesses. The Commissioners indicated that they would agree to amend TerraGraphics lease termination date due to opportunity to lease this space to others, COVID, their

support of small businesses, and maintaining a good relationship with TerraGraphics for future leasing opportunities.

Commissioner Ryckman moved and Commissioner Gordon seconded to authorize the Executive Director to execute an agreement to amend the lease termination date with TerraGraphics to July 31, 2020 for 5,807 sf in building T1-2010 located at 2926 E. Ainsworth after review and consent of the Port Attorney.

Items for Discussion

Health Insurance Renewal Premiums- Mr. Guyll from Conover Insurance presented the 2021 rates for health insurance and the employee benefits program. The Port is currently with the Premera through the Farm Bureau Association for their health insurance. If the Port does not go out for bid, Premera's rates for 2021 will increase 4%. If the Port does decide to go out for bid, Premera's bid rate for 2021 rates will increase 10%.

Port Staff will confirm there are no requirements for going out to bid.

PSC Survey Report Summary- Mr. Ballew reviewed a survey put out by the airport to gauge community response on COVID and returning to air travel at PSC. There were 480 people who took the survey providing their expectations for air travel. Around half expect to travel by air in the next three months. They said their number one source to get information on air travel in the time of COVID was the Tri-cities Airport website.

Director Reports:

1. Executive Director
 - a. The Draft EIS on the Columbia River System Operations has been under revision following the public comment phase. The final version should be released next week. The expectations are that the final will be similar to the draft.
 - b. The Franklin County .09 Application Review Committee was held yesterday. The Port submitted two requests, one for \$50,000 for RIC master plan development, and one for \$300,000 for bid ready design of roads and infrastructure. Along with the Port projects, \$500,000 was recommended for the City of Pasco process water reuse, with smaller funds for Mesa and TRIDEC.
 - c. Diana Carlen shared that the Governor will be making an announcement Thursday (today) regarding further COVID restrictions.
 - d. North Franklin Visitor's Center is close to being ready for bid. We are waiting on a permit review from the City.
2. Airport Director
 - a. Bergstrom Aircraft has been able to purchase a new load of fuel and subsequently been able to reduce prices. The price survey has been updated and the numbers have come down significantly.
 - b. TSA screened passenger numbers appear to have peaked and are starting to trend downward nationwide. Airlines are also seeing a reduction in bookings.
3. Economic Development & Marketing Director

- a. Noted the review committee made .09 Fund recommendations to the Franklin County Commission, who make the final decision on disbursement of Funds.
 - b. The site visit for the bidding process on the North Franklin Visitor's Center will be held by virtual meeting and include a pre-bid self-tour of the existing building.
 - c. HUB Zones may be re-designated after results of the 2020 Census.
 - d. The Port is completing the Special Award Conditions for the EDA grant. The remaining item is EDA verification that the consultation done by the Port with the tribes was sufficient.
4. Deputy Airport Director Report
- a. Taxiway A final phase begins next Tuesday and should be completed by the end of the first week of August.
5. Finance Director
- a. The Bond sale preparation is in progress.
 - b. Accounting staff is still working with the Auditor on our 2019 audit.
 - c. Payment options for tenants have been finalized and updated with pay online capabilities.
 - d. One CARES Act reimbursement request for the airport has been made.
 - e. Goal of presenting the Budget Schedule at the next Commission Meeting.
6. Properties Director
- a. Kudos to Mr. Ballew and Ms. Burney, they have been releasing important information to Port tenants through Constant Contact.
 - b. Maintenance Crews are continuing their excellent work on residing the warehouses and other projects.
 - c. Taco Crawl masks are for sale and proceeds go to the Boys and Girls Club.

Commissioners Reports:

Commissioner Ryckman noted that the WPPA Executive Committee met, and that it went well. She discussed the session on electrically powered planes, their eco friendliness and lower cost. She also noted that the WPPA may need to create an official position of the Association for carbon emissions as there may be new government restrictions.

Commissioner Ryckman commented that the WPPA is looking for ways to provide continued value to members, now that the ability to interact face to face is gone.

Commissioner Gordon noted that the Benton Franklin Council of Governments and Columbia Basin Development League continue to meet online. She has heard that Washington D.C. is buzzing with talk of funding, and the League is putting together requests for the Odessa Groundwater Replacement Program.

Commissioner Gordon noted that the Columbia Basin Development League is putting together a list of potential nominees to replace committee members whose terms are up.

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

1. Deferment Approvals- As of June 19, 2020, the Executive Director has executed agreements to defer with the following tenants: Tailwind, EAN Enterprise, EAN National Alamo, Republic Parking, Delta Airlines, A-1 Hospitality and Pacific Northwest Aviation Museum and Historical Association.
2. Expanded Deferment Approvals- As of July 1, 2020 the Executive Director has executed agreements to defer with the following tenants: Pacific Northwest Aviation Museum and Historical Association, Tailwind (MAG waived), and Hertz (MAG waived), Republic Parking (MAG waived), United Airlines, Delta Airlines, EAN Enterprise (MAG waived), EAN National Alamo (MAG waived).
3. T-Hangar Lease to Dan Hatch- Dan Hatch entered into a month to month agreement to lease T-Hangar 1-76 #10, effective as of August 1st, 2020. The lease is for 1,200 square feet and is valued at approximately \$2494.92 for one year.
4. United Extension Agreement- United Airlines submitted its signed extension amendment on July 8, 2020. The Executive Director has executed that agreement, per the approval of the Commissioners at the June 25, 2020 meeting.

CALENDAR OF EVENTS

Commissioners and staff discussed the calendar of events.

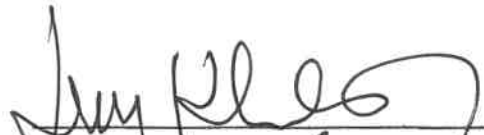
EXECUTIVE SESSION

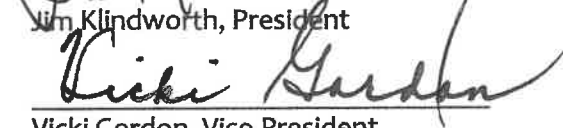
At 12:26 p.m., Commissioner Klindworth announced that Commission would go into executive session for 10 minutes to discuss with legal counsel representing the agency litigation or potential litigation to which the agency, the governing body, or a member acting in an official capacity is, or is likely to become, a party. At 12:35 p.m. the regular session was reconvened.

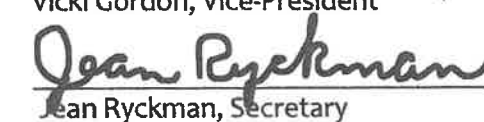
ADJOURNMENT

The meeting adjourned at 12:36 p.m.

Port of Pasco Commission:


Jim Klindworth, President


Vicki Gordon, Vice-President


Jean Ryckman, Secretary