

Port of Pasco Commission
Minutes of Regular Meeting of Port Commission
Held remotely and partially in person with Public Access
June 10th, 2021 | 10:30 a.m.

CALL TO ORDER

Commissioner Klindworth called the meeting to order at 10:30 a.m., The meeting was attended remotely via Zoom and with Public Access through call in to 1-301-715-8592, meeting ID 6676918983, and in person at a reduced capacity, with standards and guidelines set forth by the Governor's Office.

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

Guests: Jamie Carlock of Conover Insurance, Franklin County Commission Clint Didier, Todd Whitmore, and a representative of the Tri-City Herald.

Mr. Hayden noted that Franklin County Commission Chair Clint Didier was in attendance as a representative of the County to support joint efforts between the County and the Port. Mr. Hayden offered a welcome to Commissioner Didier and thanked Commissioner Brad Peck for his time attending Port meetings, noting Commissioner Peck had been a great representative for the County and is still welcome to attend.

APPROVAL OF AGENDA

Commissioner Gordon moved and Commissioner Ryckman seconded to approve the agenda 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 passed unanimously.

CONSENT AGENDA

- a) Regular Meeting Minutes of May 25, 2021.
- b) Vouchers and Warrants #96019-96081 and Direct Deposit #21299-21338 in the amount of \$1,064,045.52.

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

PUBLIC HEARING AND RESOLUTIONS

Resolution 1554-Changing the Time of the Second June Commission Meeting- Due to the schedule conflicts presented by the PNWA Meeting that takes place on June 24th, the Commission recommended changing the time of the June 24th, 2021, Commission Meeting to 9:00 a.m.

Commissioner Ryckman moved and Commissioner Ryckman seconded to approve Resolution 1554, moving the June 24th, 2021, Commission Meeting to 9:00 a.m. Motion passed unanimously.

ITEMS FOR ACTION/CONSIDERATION

Purchase Sale Agreement for the Reimann Industrial Center – Mr. Hayden presented, there will be no action on this item today, as there are still components of the Purchase Sale Agreement (PSA) that are in discussion. Staff is expecting to have the Agreement back for Commission approval at the next Commission meeting. Mr. McFadden noted that there will likely be an extended period of time after the PSA is signed before closing. There are numerous conditions in the PSA that will need to be met during due diligence, some of which are in the ongoing negotiations.

Lampson Lease- Ms. Reyna presented, Lampson International has inquired about the potential of a long-term lease or purchasing the land they currently lease from the Port at Big Pasco. They are asking for a 30-year lease to begin at the end of their current lease, which ends in 2027. Ms. Reyna discussed the lease and purchase proposals and noted the economic value and stability that Lampson has brought to Big Pasco Commission will discuss potential lease and/or sale price in executive session.

Following the Executive Session, Commissioner Gordon moved and Commissioner Ryckman seconded to reject the purchase offer made by Lampson International, for \$40,000 per acre. Motion passed unanimously. Staff will continue to work with Lampson on a new long term lease proposal.

Long Term Care Act- Ms. French presented a review of the Washington State Long Term Care Trust Act, which is an income tax of .58% for all Washington State W-2 employees. The State is allowing a one-time opt out provision, if an individual has private long-term care in place by November 1, 2021.

Ms. Carlock, of Conover Insurance, provided a presentation on Lifesecure, which is an option that meets the Long-Term Care (LTC) coverage requirements. Unlike the state plan, Lifesecure requires the employer to contribute \$25 per approved application per month, the employee is then responsible for the remainder of the premium. Ms. French noted that the \$25 monthly employer paid portion would be burdened into the employee's salary/benefits resulting in no overall additional costs to the Port.

Commissioner Ryckman moved and Commissioner Gordon seconded to add an optional Long Term Care Insurance option to the employee benefits program with an employer paid portion in the amount of \$25 a month, for employees who wish to participate in the Lifesecure Long-term Care coverage. Motion passed unanimously.

PTO Changeover- Mr. Hayden presented, Port staff has been interested in moving to a PTO plan, away from the traditional/separate sick and vacation banks that the Port currently has. Staff performed a survey of local organization's leave plans and met with a PTO Committee, that represented the various employee groups at the Port.

Ms. French provided a presentation summarizing the proposed plan change, which included a survey of local organizations and the PTO Committee feedback. The proposed changes include:

- Adding existing sick and vacation time together to create the new leave amounts, using the existing tiers;
- Grandfathering sick leave by allowing employees to keep their existing sick leave separate from the new plan to use, roll it over into the PTO plan at 25%, or cash out at 25% upon retirement or separation;
- Establishing an annual maximum rollover limit of 1440 hours, with 720 of those hours eligible for stepped cash out at employee separation;
- Adding an additional tier with two days to be added for staff who are employed for more than 20 years;
- Continuing an annual HRA Veba or Cash out up to 80 hours for employees who have 5 years of service with the Port and a minimum bank of 720 hours.

Staff relayed that if the Commission approves the transition to PTO, staff will develop the final policy of the new PTO plan and bring it back for Commission approval at a later date.

Commissioner Ryckman moved and Commissioner Gordon seconded to approve the transition of the Port's sick and vacation leave plans into a PTO bank as proposed, as of January 1, 2022, for all non-bargaining unit employees, and January 1, 2023, for all bargaining unit employees if negotiated in the contract opening in October of 2022.

ITEMS FOR DISCUSSION

April Financials- Ms. Watts presented the 2021 April Financial Report.

Tenant Delinquent List- Ms. Watts presented the Tenant Delinquent List.

Director Reports:

1. Executive Director
 - a. The Osprey Pointe Public Market lease is still in process, staff is waiting on the final project schedule and boundary survey.
 - b. The Cox property purchase is getting close to closing with a projected signing date of next Friday.
 - c. Franklin County passed their Comp Plan, this is good for industrial growth in our area, and added a portion of the Reiman Industrial Center to the City of Pasco Urban Growth Area.
2. Airport Director
 - a. TSA traffic over the last two weeks is looking good, with an average of 1015 passengers a day from 5/19-5/26 and 1064 for 5/26-6/1. Mr. Taft is optimistic that things continue to look up but is aware they could change at any time.
 - b. TSA x-ray has been down for nearly a week. They have been attempting to fix it and have added staff to assist with searches. The 20-minute wait time is hit regularly.
 - c. Staff are waiting on Alaska and Avelo passenger numbers for the final monthly stats for May.

- d. Mr. Taft provided a presentation to the Commission outlining the Port's investment and subsidies to support General Aviation at the Tri-Cities Airport.
- 3. Finance Director
 - a. The Port issued its insurance broker RFP and had two responders, Conover (who is now a division of HUB) and McGriff. After the review process, Port staff chose Conover and is excited for the added benefits and resources that HUB will provide.
- 4. Economic Development and Marketing Director
 - a. Mr. McFadden provided the EDM report.
 - b. Two funding requests, one to Senator Murray and one to Senator Cantwell, have been submitted. Both requests are for \$2.5 million dollars and would be put towards Phase 2 infrastructure development for the Reimann Industrial Center.
- 5. Properties Director
 - a. The Big Pasco EDA project continues and there have been complaints by tenants on impacts to their operations which staff is addressing. The project has been experiencing delays, largely due to shortages the Contractor is experiencing in obtaining materials and workers.
 - b. Industrial Way is getting an asphalt overlay by the City of Pasco.
 - c. There has been a lot of interest in additional buildings at Big Pasco. There are only 24,000 square feet available, leaving the occupancy at approximately 96%.
 - d. I.Farm is still interested in leasing the vacant office building at the barge terminal but is taking issue with the large security deposit required. Staff is working with them on other options for providing the lease security.
- 6. Airport Deputy Director
 - a. The Airport FAA Certification has been completed, overall things went well, with only minor fixes needed.

Commissioner Reports:

Commissioner Ryckman noted that she attended the Allegiant Airlines ribbon cutting, the Gordon Thomas Honeywell Lunch, and the Lewis Street Overpass dedication.

RECESS

At 12:11 p.m., Commissioner Klindworth recessed the meeting for lunch until 12:30 p.m. At 12:30 lunch was extended until 12:33. At 12:33 p.m. the meeting was called back to order.

ITEMS FOR INFORMATION/NO DISCUSSION

IEDS Lease Amendment- IEDS has begun leasing 21,600 square feet in Warehouse 2 Bay 4. They are expecting to fill the bay starting in July. IEDS is also currently leasing Warehouse 2 Bays 1 & 2. The lease value is \$5,814.07/first month, following months \$10,571.04 per month and the lease term is month to month.

CALENDAR OF EVENTS

Commissioners and staff discussed the calendar of events.

EXECUTIVE SESSION

At 12:33 p.m., Commissioner Klindworth announced that Commission would go into executive session until 12:53 p.m., to consider the minimum price at which real estate will be offered for sale or lease, and to discuss with legal counsel representing the agency potential litigation to which the agency is likely to become a party. At 12:53 p.m. the executive session was extended for 10 minutes, until 1:03 p.m. At 1:03 p.m. the executive session was extended for 10 minutes, until 1:13 p.m. At 1:13 p.m. the executive session was extended for 7 minutes, until 1:20 p.m. At 1:20 p.m. the regular session was reconvened.

ADJOURNMENT

The meeting was adjourned at 1:36 p.m.

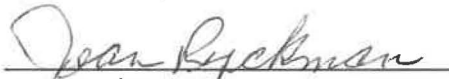
Port of Pasco Commission:



Jim Klindworth, President



Vicki Gordon, Vice-President



Jean Ryckman, Secretary