

**Port of Pasco Commission**  
**Minutes of Regular Meeting of Port Commission**  
*Held remotely and in person with Public Access*  
*Port of Pasco 1110 Osprey Pointe Blvd., Ste. 201, Pasco, WA*  
*December 16, 2021 | 10:30 a.m.*

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**CALL TO ORDER**

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Commissioner Klindworth called the meeting to order at 10:30 a.m., the meeting was attended in person and remotely via Zoom with Public Access through call in to 1-301-715-8592, meeting ID 6676918983, and in person, 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 Attorney Dan Hultgrenn, Airport Director Buck Taft, Finance Director Donna Watts, Director of Properties Mayra Reyna, Director of Economic Development and Marketing Stephen McFadden, Deputy Airport Director Don Faley, and Executive Staff Assistant, Human Resources Lori French and Airport Business Manager Tara White.

**Guests:** Franklin County Commissioner Clint Didier, Jack Kelly, Diana Carlen of Gordon Thomas Honeywell, Scott Musser, Darren McEuin of HUB Insurance.

**APPROVAL OF AGENDA**

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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**

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- a) Regular Meeting Minutes of November 17, 2021.
- b) Special Meeting Minutes of November 17, 2021.
- c) Regular Meeting Minutes of November 19, 2021.
- d) Vouchers and Warrants #96966-97023 and Direct Deposits #21778-21820 for the total amount of \$529,371.46 and Vouchers and Warrants #97024-97109 for the total amount of \$250,889.18.
- e) Accept as Complete-Osprey Pointe North Building T-1 Ceiling Repair.

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

**PUBLIC HEARINGS AND RESOLUTIONS**

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**Resolution 1568 - Resolution Modifying Personnel Policy 310-** Ms. French presented the final version of the Port's Paid Time Off (PTO) plan for Commission approval. Resolution 1568 modifies personnel policy 310 to include the PTO plan, rescinds personnel policy 350, which outlines the Port's use of HRA VEBA, and supersedes resolution 1480, the Attendance Incentive Program.

Commissioner Gordon moved and Commissioner Ryckman seconded to approve Resolution 1568, a Resolution Amending Personnel Policy 310, Rescinding Personnel Policy 350, and Superseding Resolution 1480. Motion passed unanimously.

**Resolution 1569-Tax Increment Financing (TIF) Resolution-** Mr. McFadden presented Resolution 1569 for Commission approval. The Resolution designates the Reimann Industrial Center as the Tax Increment Financing Area, and establishes the Increment will take effect of June 1, 2022, with a sunset date of December 31, 2048.

Commissioner Ryckman moved and Commissioner Gordon seconded to approve Resolution 1569, A Resolution of the Port of Pasco, Franklin County, Washington, designating the Reimann Industrial Center Tax Increment Financing Area-Phase 1; fixing the boundaries thereof; and providing for related matters. Motion passed unanimously.

Commissioner Klindworth thanked staff for their hard work and effort.

**Resolution 1570-Airport User Fees Update-** Mr. Taft presented, Resolution 1570 updates the fee structures for the Tri-Cities Airport. This Resolution outlines the following fee changes for 2022: Taxi License Fee \$73.91 + tax (month), SIDA Badge (new) Fee \$25, AOA Badge (new) Fee \$25, AOA/SIDA Renewal Fee \$25.

Commissioner Gordon moved and Commissioner Ryckman seconded to approve Resolution 1570, Approving User Fees at the Tri-Cities Airport. Motion passed unanimously.

#### **ITEMS FOR ACTION/CONSIDERATION**

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**2022 Earthquake, Crime, Marine, and Airport Liability Insurance Renewal-** Ms. Watts reviewed the changes to the 2022 coverage premiums for Earthquake, Crime, Marine, and Aviation Liability Insurance. Mr. McEuin of HUB Insurance discussed the renewal and the added resources that the Port has with HUB insurance. The Commissioners and Mr. McEuin discussed the coverage.

Commissioner Gordon moved and Commissioner Ryckman seconded to approve the 2022 insurance policies for the policy year effective December 31, 2021, to December 31, 2022, for Earthquake, Crime, Marine, and Aviation Liability Insurance. Motion passed unanimously.

**Property & Casualties Insurance Broker Agreement & Fee-** Ms. Watts reviewed the RFP process for a Properties & Casualties Insurance Broker that Port staff completed earlier in 2021. At that time, HUB International (previously Conover Insurance) was chosen to move forward with negotiations. Staff has been working with HUB/Conover to move from a commission-based fee to a fee for services. HUB/Conover proposed a 3-year fee in the amount of \$195,000, to be paid by annual installments of \$65,000.

Commissioner Ryckman moved and Commissioner Gordon seconded to authorize the Executive Director to sign the agreement with HUB International/Conover Insurance for all current Property and Casualty Insurance Policy services, from 09/01/2021 to 08/31/2024 in the amount of \$195,000, to be paid in annual installments of \$65,000. Motion passed unanimously.

**Administrative Salary Range Matrix-** Ms. French and Ms. Watts presented the Administrative Salary Range Matrix, which included increased high and low end increases of roughly 3%-6%. Commission and staff discussed the matrix and the 2021 CPI.

#### 2022 Port of Pasco Salary Ranges

Position	Minimum	Maximum
Director of Airports	\$113,400	\$182,500
Director of Economic Development and Marketing	\$98,000	\$150,500
Director of Properties	\$98,000	\$150,500
Deputy Director of Airports	\$92,000	\$136,000
Police Chief/Terminal Manager	\$73,400	\$117,000
Maintenance Manager	\$73,400	\$107,900
Facilities Engineer	\$68,600	\$99,500
Executive Staff Assistant & Human Resources	\$65,900	\$90,900
Business Manager	\$59,500	\$85,900
Senior Accountant	\$59,500	\$85,900
Law Enforcement Officer	\$57,400	\$81,900
Staff Accountant	\$50,000	\$71,300
Admin Assistant/Property Leasing Associate	\$50,000	\$70,700
Administrative Assistant/Receptionist	\$44,700	\$64,300

Commissioner Ryckman moved and Commissioner Gordon seconded to approve the salary ranges for the Port of Pasco administration and management positions as presented above, effective January 1 through December 31, 2022, and to confirm the authority of the Executive Director to make salary adjustments for administration and management personnel within the salary ranges as listed. Furthermore, Commissioners confirm that they retain salary action authority for the Executive Director and Finance Director/Auditor. Motion passed unanimously.

**Airport Art Rotating Display for 2022-** Ms. White presented the 2022 Art Display Agreement for Commission approval. The Confederated Tribes of the Umatilla Indian Reservation (the TAMÁSTLIKT CULTURAL INSTITUTE) will be displaying in all 3 of the airport art display areas for 2022 to both educate passengers on the existence of the cultural institute and provide a local historical and cultural perspective.

Commissioner Gordon moved and Commissioner Ryckman seconded to approve the Confederated Tribes of the Umatilla Indian Reservation art display for 2022 and authorize the Executive Director to execute the attached art loan agreement between the Port and the Confederated Tribes of the Umatilla Indian Reservation dba Tamastlikt Cultural Institute. Motion passed unanimously.

**HDR Supplemental Agreement-** Mr. McFadden presented Amendment #5 Scope of Services as prepared by HDR Engineering for the Port of Pasco 411-416 Track Rehabilitation and Other Miscellaneous Work as requested. Amendment #5 changes the work described in several of the Task Orders and reduces the costs for Task Orders #1, #4, and #6, increasing costs for Task Orders #7, #8, #12 and #13. The net increase is \$20,679.36 over and above the current overall project cost of \$358,580.90. The new total is \$379,260.26.

Commissioner Ryckman moved and Commissioner Gordon seconded to authorize the Executive Director to execute Amendment #5, Scope of Services for the Port of Pasco 411-416 Track Rehabilitation and Other Miscellaneous Work as requested. Motion passed unanimously.

**PIC 395 Purchase Order-** Mr. McFadden presented a Letter of Intent (LOI) from Old Dominion Freight Line, Inc. for 17.69 acres at PIC 395. The LOI proposes to complete all due diligence, establish an executed purchase and sale agreement, and close on the land acquisition within 160 days. Staff is waiting to receive an updated version upon the Port Attorney's review. The proposed price per acre is \$150,000, with the total purchase price for 17.69 acres at \$2,653,500. The company will pay for half of the cost to relocate the Cascade Natural Gas line within the 17.69 acres, with an estimated cost \$150,000, or \$75,000 for both the Port and the buyer.

The LOI contains payment terms for the broker which differs from the Port Broker Policy, but which matches similar broker agreements approved by the Port Commission for recent land sales. Staff is planning on updating the Port's Broker Policy to more closely align with current industry standards.

Commissioner Gordon moved and Commissioner Ryckman seconded to authorize the Executive Director to execute the letter of intent based on the proposed sale price of \$2,653,500 and with changes to the Port standard broker fee as described in the LOI. Motion passed unanimously.

**Dura-Shine Agreement-** Mr. Taft presented a request for rate increase from Dura-Shine Clean. The request proposes a 10% increase in service fees for the final year of the Airport's contract with Dura-Shine, up from the agreed upon 3% annual increase that is included in the contract. Staff and Commission discussed the contract and proposal.

The Commission elected to take no action and continue with the current contract's 3% increase, for a contract total of \$509,232.

**Lease for Warehouse 6, Bay 1-Commercial Tire, Inc.-** Ms. Reyna presented the proposed lease for Commercial Tire. Staff and Commissioners discussed the changes that are proposed from the standard lease language.

Commissioner Gordon moved and Commissioner Ryckman seconded to authorize the Executive Director to execute a lease with Commercial Tire, Inc. for Warehouse 6, Bay 1. The Executive Director shall also be authorized to make minor changes to the lease, with approval by the Port attorney, as may be needed to finalize the agreement, including acceptance of a 4-month lease deposit without a personal guarantee, and striking the proposed wording of "which consent will not be unreasonably withheld or delayed" from the end of Article 7 – Use of Premises. Motion passed unanimously.

**Lease for Warehouse 2, Bay 2-Ingredion Incorporated-** Ms. Reyna presented the proposed lease for Ingredion Incorporated. Staff and Commissioners discussed the changes that are proposed from the standard lease language.

Commissioner Ryckman moved and Commissioner Gordon seconded to authorize the Executive Director to execute a lease with Ingredion Incorporated for Warehouse 2, Bay 2. The Executive Director shall also

be authorized to make minor changes to the lease, with approval by the Port attorney, as may be needed to finalize the agreement. Motion passed unanimously.

**Lease for Warehouse 2, Bay 4-Perimeter Solutions, LP-** Ms. Reyna presented the proposed lease for Perimeter Solutions. Staff and Commissioners discussed the changes that are proposed from the standard lease language.

Commissioner Gordon moved and Commissioner Ryckman seconded to authorize the Executive Director to execute a lease with Perimeter Solutions, LP for Warehouse 2, Bay 4. Executive Director shall also be authorized to make minor changes to the lease, with approval by the Port attorney, as may be needed to finalize the agreement. Motion passed unanimously.

**Big Pasco Lease Corrections-** Ms. Reyna presented, staff has met with Lampson and Mid-Columbia Warehouse to discuss lease rates for the respective corrected leases. Staff would like to discuss minimum lease rates in Executive Session.

After Executive Session the Commission made the following motions:

Commissioner Gordon moved and Commissioner Ryckman seconded to accept the offer from Lampson International on land leases at Big Pasco to waive the CPI increase and back rent from 11/1/15 to 10/31/18, to pay the back rent from 11/1/18 to 10/31/21 in the amount of \$13,394 (not including leasehold excise tax) and to adjust the lease rate to capture the lease-required CPI increased from 11/1/18 to 10/31/21 (7.95%) and from 11/1/21 to 10/31/24 (10.00%), effective January 1, 2022. Motion passed unanimously.

Commissioner Ryckman moved and Commissioner Gordon seconded to apply the lease required rate increases for Mid-Columbia Warehouses on Warehouse 7, Bays 1,2,3, and 4, effective January 1, 2022, and to further increase the rates through a ramped increase of 6.5% to be applied each quarter beginning June 1, 2022 until August 31, 2023. Further move to increase the rates on all other warehouse leases with a 35% increase on March 1, 2022, then a ramped increase of 6.5% to be applied each quarter until August 31, 2023. Motion passed unanimously.

**Executive Director and Finance Director/Auditor Performance Evaluations-** Performance Evaluations for the Executive Director and Finance Director/Auditor were conducted in Executive Session. In Regular Session the following motions were made:

Commissioner Gordon moved and Commissioner Ryckman seconded to approve increasing the Finance Director/Auditor's annual salary to \$150,000, effective January 1, 2022. Motion passed unanimously.

Commissioner Gordon moved and Commissioner Ryckman seconded to approve keeping the Executive Director's current annual salary rate of \$207,200, with an additional deferred compensation contribution of 6.37% (\$13,198) plus \$15,000, for a total of \$28,198. This amount shall be added to the remaining deferred compensation amount from 2021 of \$5,576, for a total of \$33,798 to be contributed for 2022, into the State provided DCP as allowed, and into a separate deferred compensation account

from the State provided DCP as needed. Staff is authorized to hire a consultant to assist in setting up the separate deferred compensation account for the Executive Director. The amounts described above shall be in addition to any standard DCP match provided by Port policy. Motion passed unanimously.

## **ITEMS FOR DISCUSSION**

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**October Financials-** Ms. Watts presented the October Financials.

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

**WPPA Dues-** Mr. Hayden and Commissioner Ryckman presented the WPPA Board of Trustee approved budget increase of roughly 5% and the 3% increase in membership dues.

**2022 Legislative Priorities Update-** Ms. Carlen of Gordon Thomas Honeywell provided an overview of the Port's 2022 Legislative priorities for the upcoming Legislative Session.

**Project Proposal for TCABP-** Mr. Musser presented his proposal for a new building at the Tri-Cities Airport Business Park. The proposal is for a multi-unit building that services his family's existing businesses, in part, and contains units that would be available for rental with retail and warehouse components.

The Commissioners shared their support of Mr. Musser moving forward with plans for the project.

### **Director Reports:**

#### **1. Executive Director**

- a. Mr. Hayden noted that the WPPA Annual Conference was well attended, and the session topics were excellent. Mr. Hayden presented the Port of Pasco's implementation of the TIF with a lot of positive feedback.
- b. Mr. Hayden attended the Petrichor meeting, Petrichor has the opportunity to work with WSDOT to use the right of way along 205 to install broadband, and to apply for grant funds for the project. Petrichor will be working to find partners to provide matching funds for the grant, and to provide ownership of the infrastructure.
- c. Port staff met with Hal Hiemstra regrading support on the new infrastructure bill and potential funds.
- d. Mr. Hayden and the Commissioners discussed the State redistricting.

#### **2. Airport Director**

- a. Staff was notified that the Tri-Cities Airport has been allocated \$3,341,702 as part of the Bipartisan Infrastructure Bill. Mr. Taft noted that staff is anticipating receiving guidance from the FAA in the upcoming weeks on how the funds may be used and applied.
- b. Mr. Taft discussed the possibility of issuing an RFP for the Airport's FBO.

#### **3. Airport Deputy Director**

- a. Mr. Faley noted that Stripe Rite was able to complete the painting project in two days, once paint was obtained.
- b. The Airport compass was recalibrated, and lines will be repainted next year.



- c. The geo-tech company completed soil sampling at the hill at the end of runway 12/30 at the Airport. This will help determine if the material can be used as fill for future projects.
- 4. Finance Department
  - a. Ms. Watts commented that the Accounting Department is working on getting the year end buttoned up.
- 5. Economic Development and Marketing Director
  - a. Mr. McFadden provided an overview of the Economic Development and Marketing Report.
  - b. The Darigold project is nearing the 180-day mark, staff and project partners are working on the closing elements.
  - c. The CERB committed private partner project is moving forward, and staff will present before CERB with the partner in January.
  - d. PIC 395 is a finalist for Project Kane, but the site visit continues to be delayed over COVID concerns.
- 6. Properties Director
  - a. Ms. Reyna provided an overview of the Properties Activity Report.
  - b. Ms. Reyna noted that on the 43<sup>rd</sup> Annual Cable Bridge Run will take place this weekend.

Commissioner Klindworth thanked Mr. McFadden and Ms. Reyna for their detailed reports.

#### **Commissioner Reports:**

Commissioner Ryckman noted that she attended the WPPA Annual Conference.

Commissioner Klindworth commented that this is his last meeting as Commission President, and that he is thankful for the last two years and proud of what the Port has accomplished.

#### **ITEMS FOR INFORMATION/NO DISCUSSION**

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**Wings Over Washington Airshow LLC to Breier Family Investments II LLC Lease Assignment-** Wings Over Washington Airshow LLC (Malin and Daniel Bergstrom) have sold their private box hangar, purchased earlier this year, to Breier Family Investments II, LLC (Michael and Cameran Breier). The leased land is located at 4324 Stearman and is approximately 10,748 square feet. The monthly rent is currently \$182.45.

**J&D Aircraft Sales Land Lease-** J&D Aircraft Sales, LLC has re-leased approximately one acre of land in the Tri-Cities Airport Industrial Park located at 509 Rockwell, effective December 1, 2021. The previous lease for this premises with J&D Aircraft Sales had expired and been held over into a month-to-month status. The lease value is approximately \$34,380.00 for the initial term of the lease.

**Doug Watts Building 69 Storage Room Lease-** Doug Watts has leased an approximately 1,677 square foot storage room in Building 69, located at 3612 Stearman, effective December 1, 2021. The lease value is approximately \$2,817.36 for one year.

**IEDS Lease Amendment-** This month-to-month lease amendment for IEDS decreased their square footage to 21,600 sq. ft. Lease value is \$7,013.95 for the month of December and \$7,364.65/month after January's annual CPI increase.

**Lease for Warehouse 6, Bay 2-WISH-** WISH is a whole supply irrigation company that has signed a 3-year lease for Warehouse 6 Bay 2 and Warehouse 6 Bay 3 (Concrete Pad). Lease value is \$375,447.60 for the 3-year term of the lease.

#### **CALENDAR OF EVENTS**

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Commissioners and staff discussed the calendar of events.

#### **RECESS**

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At 11:55 a.m., Commissioner Klindworth recessed the meeting for 10 minutes, the meeting was resumed at 12:05 p.m.

At 12:26 p.m., Commissioner Klindworth recessed the meeting for 5 minutes, the meeting was resumed at 12:31 p.m.

At 2:23 p.m., Commissioner Klindworth recessed the meeting for a 7-minute break, the meeting was resumed at 2:30 p.m.

#### **EXECUTIVE SESSION**

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At 2:30 p.m., Commissioner Klindworth announced that Commission would go into executive session for 20 minutes, until 2:50 p.m., to discuss minimum lease price and potential litigation to which the agency is likely to become a party. At 2:50 p.m. the executive session was extended for 15 minutes. At 3:05 p.m., the regular session was reconvened.

At 3:36 p.m., Commissioner Klindworth announced that Commission would go into executive session for 60 minutes, until 4:36 p.m., to review the performance of a public employee. At 4:36 p.m. the Commission came out of Executive Session. At 4:38 p.m., the regular session was reconvened.

#### **ADJOURNMENT**

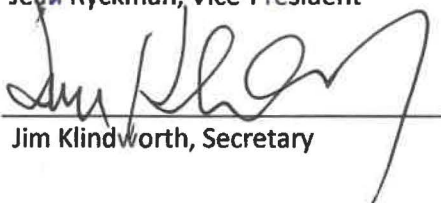
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The meeting was adjourned at 4:47 p.m.

Port of Pasco Commission:

  
Vicki Gordon, President

  
Jean Ryckman, Vice-President

  
Jim Klindworth, Secretary