

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, Washington
December 13, 2023 | 10:30 a.m.

CALL TO ORDER

Commissioner Gordon 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.

Present: Commissioner Vicki Gordon, Commissioner Jean Ryckman, Commissioner Jim Klindworth, Executive Director Randy Hayden, Attorney Heidi Ellerd, Airport Director Buck Taft, Director of Economic Development and Marketing Stephen McFadden, Finance Director Donna Watts, Director of Properties Mayra Reyna, Human Resources and Executive Staff Assistant Lori French.

Excused: Airport Deputy Director Don Faley.

Guests: Malin and Daniel Bergstrom of Bergstrom Aircraft, Mitch Nickolds and Terry Thornhill of Great Basin, Darren McEuin and Andrew Flabetich of HUB Insurance, Kirt Shaffer of Tippet Company, Steve Horton of Horton Leibowitz, Russ Chrisman of MacKay Sposito, Wendy Culverwell of Tri-Cities Herald, and Cole Crapps of the Field Group.

APPROVAL OF AGENDA

Commissioner Klindworth moved, and Commissioner Ryckman seconded to approve the agenda. Motion passed unanimously.

CONSENT AGENDA

- a) Regular Meeting Minutes of November 8, 2023.
- b) Special Meeting Minutes of November 15, 2023.
- c) Vouchers and Warrants #101225-101309, and Direct Deposits #23904-23944 in the amount of \$1,357,752.85, and Vouchers and Warrants #101139-101224 and Direct Deposits 23865-23903 in the amount of \$1,099,975.91 for the General Fund. Vouchers and Warrants #7503 for the Travel Advance Fund in the amount of \$147.00.
- d) Accept as Complete-BPIC Road 33 Pavement Improvements.

Commissioner Klindworth moved, and Commissioner Ryckman seconded to approve the consent agenda. Motion passed unanimously.

PUBLIC CITIZEN COMMENT

No public citizens provided comment.

PUBLIC HEARINGS AND RESOLUTIONS

Resolution 1622- A Resolution Updating Airport User Fees- Mr. Taft presented the changes to the user fees at the Tri-Cities Airport for the 2024 year. Updated fees include an increase in the Taxi License Fee, decrease in the Turn Fee, and a new Airline Ticket Counter Shared Use Fee.

Commissioners and staff discussed the fees.

Commissioner Klindworth moved and Commissioner Ryckman seconded to approve Resolution 1622-A Resolution Updating Airport User Fees. Motion passed unanimously.

Resolution 1623- 2024 Lease Rate Resolution and Lease Policy- Ms. Reyna presented the modifications to the lease rate resolution, the increases are based on the Consumer Price Index of 3.2%. The resolution also proposed a change to the security deposit structure, and a change in the signature requirements for personal guarantee.

Commissioner Ryckman moved and Commissioner Klindworth seconded to approve Resolution 1623-2024 Lease Rate Resolution and Lease Policy. Motion passed unanimously.

Resolution 1624- Declaration of Surplus Property and Authorization of Sale of Land- Mr. McFadden presented, the Port of Pasco has been working with APG Land Acquisitions, LLC (Ambrose) for the sale of property at Pasco Industrial Center-395 (PIC-395) to establish a large distribution operation. A Purchase and Sale Agreement was executed in May 2023 for 25.0 acres of land. The closing of this sale is expected to occur in January 2024.

Resolution 1624 Declaration of Property as Surplus and Authorization of Sale of Lands provides confirmation of the Port's intent to sell the land for the APG Land Acquisitions, LLC project at the price of \$3,750,000.

Commissioner Ryckman moved and Commissioner Klindworth seconded to approve Resolution 1624-Declaration of Property as Surplus and Authorization of Sale of Lands to APG Land Acquisitions, LLC. Motion passed unanimously.

ITEMS FOR ACTION

FBO Lease with Bergstrom Aircraft- Mr. Taft provided an overview of the work that has been done by Airport staff and Ms. Bergstrom on the Bergstrom Aircraft Lease. There were three items discussed by Ms. Bergstrom and Mr. Taft, including fire extinguisher maintenance, environmental liability insurance coverage, and business auto liability coverage. After discussion on the fire extinguisher maintenance, the Commission agreed that the responsibility would be on Bergstrom to maintain the extinguishers and they would be able to bill the Port for the expense. After discussion with Mr. McEuin, Ms. Bergstrom believes her insurance provider will be able to meet the requirements and will present 2024 certificates to staff to review in the lease execution process.

Commissioner Klindworth moved and Commissioner Ryckman seconded to approve the FBO lease, as presented by staff, in its most recent form, with minor edits allowed as approved by the Port attorney and grant the Executive Director the authority to execute the lease agreement. Motion passed unanimously.

Commissioner Ryckman moved and Commissioner Klindworth seconded to approve the land lease for the fuel tanks, as presented by staff, in its most recent form, with minor edits allowed as approved by the Port attorney and grant the Executive Director the authority to execute the lease agreement. Motion passed unanimously.

TCABC Letter of Intent with Great Basin Land Company- Mr. McFadden introduced the proposed Tri-Cities Airport Business Center project and Mr. Nickolds and Mr. Thornhill. Mr. Thornhill provided a presentation on the project, and Mr. Nickolds discussed the process and interest in it by third parties.

Mr. McFadden discussed the short-term Letter of Intent, which requires that the lease agreement be initiated within 90 days, and that the lease agreement be contingent upon the developer's possession of Letter of Intent from future tenants for 50% of the building space.

Commissioner Klindworth moved and Commissioner Ryckman seconded to approve the TCABC 90-day Letter of Intent with Great Basin Land Company, LLC. Further move that Great Basin Land Company, LLC will secure tentative commitments from potential tenants for 50 percent or more of the available building space and that meet the intent for retail related use along Argent Road prior to executing a Lease Agreement. Motion passed unanimously.

2024 Excess Liability, Crime, Marine Liability, Marine Excess Liability, and Airport Liability Insurance

Renewal- Ms. Watts provided an overview of the upcoming liability insurance renewals. Mr. McEuin and Mr. Flabeitch were in attendance to discuss the renewal, coverage benchmarking, and liability coverage options.

Commissioner Gordon moved and Commissioner Ryckman seconded to approve the 2024 insurance policies for policy year effective December 31, 2023, to December 31, 2024, for General Excess Liability, Crime, Marine Liability, Marine Excess Liability, and Airport Liability. The General Excess Liability policy is to be renewed with Lloyd's of London unless staff receives a lower price from Alliance. Motion passed unanimously.

2024-2026 Field Group Personal Services Agreement for Marketing- Mr. McFadden presented the Personal Services Agreement renewal with Field Group for Marketing services, noting the excellent partnership between the Port and Airport and Field Group. Included in the agreement is the 2024 Scope of Work for the Port and Airport marketing efforts. The total cost for The Field Group services for 2024 is \$219,784.00. The Port's portion is \$89,000, and the Airport's is \$130,784. Both amounts were previously approved in the 2024 Budget.

Commissioner Ryckman moved and Commissioner Klindworth seconded to approve the 2024-2026 Personal Services Agreement with The Field Group and authorize the Executive Director to execute the agreement. Motion passed unanimously.

Field Group Agreement for American Airlines Advertising- Mr. Taft presented, in 2019 Port of Pasco Commissioners passed a New Airline Incentive Program, which is open to all carriers. The American Airlines flight to Phoenix Sky Harbor qualifies for incentives per the program including 24 months of landing fee waivers and \$100,000 marketing support during the first 12 months of service. The proposed agreement will be in addition to the current airport marketing budget. The total is included in the Commission approved budget.

Commissioner Klindworth moved and Commissioner Ryckman seconded to authorize the Executive Director to sign the 2024 Digital Maintenance Campaign and the 2024 Spring and Fall Multimedia Campaign with the Field Group for a total of \$100,000. Motion passed unanimously.

Clean Harbors Invoice- Mr. Taft presented the Commissioners authorized the Executive Director to sign an agreement with Clean Harbors for the removal of contaminated soil due to the aircraft accident, last November. The Executive Director was authorized an amount not to exceed \$100,000. The final invoice has been received and totals \$112,064.97. Staff is currently working with Clean Harbors to get clarification as to why the final invoice has exceeded the estimate. Staff is requesting Commission approval of the new estimate, while staff works with Clean Harbors to straighten out the final billing.

Commissioner Ryckman moved and Commissioner Klindworth seconded to increase the Executive Director's authority on the Clean Harbors Agreement from a not to exceed amount of \$100,000 to a not to exceed amount of \$112,064.97, pending the approval of the Finance Director. Motion passed unanimously.

Approval for Changes to Standard Lease- Ms. Reyna presented that the Port's ability to apply lease deposits to outstanding rent has not been clearly stated on Port leases. After working with the Port Attorney, staff is requesting to clarify language on two standard articles (article 6 and article 22) that are included in most leases.

Commissioner Klindworth moved and Commissioner Ryckman seconded to approve modifications to article 6 and article 22 to the standard language used in leases with the Port of Pasco as presented. Motion passed unanimously.

Aromatics W6B4 Lease Request- Ms. Reyna presented earlier this year, Aromatics signed an exercise of option for Warehouse 6 Bay 4, extending the lease through 12/31/2024 (current lease expires 12/31/2023). Staff then received a request from Aromatics to revoke the signed option to extend. Staff is presenting the request to the Commission to either enforce the exercise of option or revoke the lease option and allow staff to pursue rental by another tenant. Aromatics will continue to be a tenant at the Port, as they are leasing Warehouse 5 Bay 1, with their lease expiring June of 2024.

Commissioner Ryckman moved and Commissioner Klindworth seconded to approve the requested revocation of the previously signed and submitted exercise of option by Aromatics and allowing them to terminate their leasehold as of December 31, 2023. Motion passed unanimously.

RIC Road & Water Project Change Order- Mr. McFadden presented, early on in the RIC Road and Water construction project, the contractor encountered utility conflicts in the road right of way. An unidentified natural gas line (1,100 linear feet) and a fiber optic line (2.5 miles in length) were found resulting in project delays and additional costs. Staff is presenting Change Order No. 2 submitted on behalf of Premier Excavation. Change Order No. 2 is for \$196,702.47 including sales tax. JUB Engineering and Port staff have reviewed the requested change order and agree with the request. Change Order #2 provides compensation for modifications to the roadway section and storm drainage system to avoid the gas line. Drainage features are also being shifted and deleted to avoid conflicts with future driveway accesses and widening of Railroad Avenue planned by Franklin County. Change Order #2 also grants the contractor's request for 34 additional workdays.

Commissioner Klindworth moved and Commissioner Ryckman seconded to approve payment of Premier Excavation, Inc's Change Order #2 for \$196,702.47, including sales tax. Motion passed unanimously.

Parking Concepts Inc. Agreement- Mr. Taft presented, through the RFQ process, Parking Concepts Incorporated (PCI) was awarded the airport paid parking management agreement at the airport. Staff has finalized the management agreement with PCI, which Mr. Taft reviewed with the Commission. Upon approval, the Agreement will be effective February 1, 2024.

Commissioner Ryckman moved and Commissioner Klindworth seconded to approve the Parking Lot Management Agreement with Parking Concepts Incorporated, as presented, with any minor changes approved by the Port attorney, and authorize the Executive Director to Execute the agreement. Motion passed unanimously.

2024 Administrative Salary Range Matrix- Ms. French presented the Administrative Salary Range Matrix, which included an increase between 0.0% and 6% in the upper range and 0.0% and 6% in the lower range, with the exception of the Economic Development Director and the Chief of Police. Both of these positions took on additional duties that warrant a higher increase.

| Position | Minimum | Maximum |
|--|----------------|----------------|
| Airport Director | 122,000 | 198,500 |
| Director of Economic Development and Marketing | 105,500 | 180,000 |
| Director of Properties | 102,500 | 158,800 |
| Airport Deputy Director | 99,000 | 148,000 |
| Police Chief/Terminal Manager | 92,000 | 153,000 |
| Facilities Manager | 79,000 | 117,500 |
| Facilities Engineer | 76,800 | 111,000 |
| Human Resources Director & Executive Assistant | 71,000 | 99,000 |
| Business Manager | 64,000 | 95,000 |
| Senior Accountant | 64,000 | 95,000 |
| Law Enforcement Officer | 60,000 | 88,600 |
| Staff Accountant | 53,300 | 77,500 |
| Office Administrator | 46,800 | 70,000 |
| Administrative Assistant/Receptionist | 46,800 | 70,000 |

Commissioner Klindworth moved and Commissioner Ryckman seconded to approve the presented salary ranges for the Port of Pasco administration and management positions effective January 1, 2024, through December 31, 2024, and 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 they retain salary action authority for the Executive Director and Finance Director/Auditor. Motion passed unanimously.

Performance Evaluations for Executive Director and Finance Director/Auditor- Performance evaluations for the Executive Director and Finance Director/Auditor were conducted in Executive Session.

After Executive Session, Commissioner Ryckman noted the Commissioners thanks to Mr. Hayden and Ms. Watts for their above and beyond work. Commissioner Ryckman moved and Commissioner Klindworth seconded to increase the Finance Directors/Auditors annual salary to \$175,000 a year, and to increase the Executive Director's salary to \$250,000 a year. Motion passed unanimously.

Mr. Hayden and Ms. Watts thanked the Commission.

ITEMS FOR DISCUSSION

Potential Land Purchase Update- Mr. Shaffer was in attendance to discuss potential land purchase options, the discussion was held in Executive Session.

Airline Rates and Charges – Mr. Horton was in attendance to discuss 2024 rates and charges; the discussion was held in Executive Session.

October 2023 Financial Report- Ms. Watts presented the October 2023 Financial Report for discussion.

Tenant Delinquent List – Ms. Watts presented the Tenant Delinquent List for discussion.

Building Occupancy Report for 2023- Ms. Reyna presented the 2023 Building Occupancy Report for discussion, noting a 98.77% occupancy rate for 2023.

Director Reports:

1. Executive Director
 - a. Mr. Hayden discussed the Ag Innovation Center application for a Department of Commerce "ICAP Cluster" grant that would allow for the My-Tri Ag Council organization to be stood up more formally.
 - b. Mr. Hayden commented on the Futurewise appeal of Franklin County's UGA. The Supreme Court sided with the Appellate Court ruling which upheld the County's UGA expansion.
 - c. Mr. Hayden discussed status of Petrichor's financials and that they are on track to repay all stakeholders for their initial investments by next year.
 - d. Mr. Hayden requested Commissioner attendance at the January 10th Franklin County Commission Meeting, where the County .09 economic development fund will be discussed.
2. Airport Director
 - a. Mr. Taft provided the Airport Activities Report.
 - b. Mr. Taft provided the Field Group Digital Report.
 - c. Mr. Taft discussed the Airport Business Center road and sidewalk installation, the landscaping project, and the FAA runway funds.

3. Director of Economic Development and Marketing
 - a. Mr. McFadden provided a brief overview of an upcoming TCABC LOI.
4. Director of Properties
 - a. Ms. Reyna provided the Property Activities Report.

Commissioner Reports:

Commissioner Ryckman discussed her WPPA conference attendance.

Commissioner Klindworth noted his 36th year on the Port of Pasco Commission.

EXECUTED ITEMS

Columbia Basin Truck Driving School- Columbia Basin Truck Driving School has entered into a month-to-month lease agreement for Building 116 and the adjacent yard, in the Tri-Cities Airport Industrial Park, effective December 15, 2023. The Lease value is \$19,562.40 for one year. The Executive Director has executed the agreement, as per the Commission's Delegation of Authority Policy.

Propak Logistics, Inc- W5B3- This is a 3-year term lease (renewal) for Warehouse 5 Bay 3 located at 3205 E Ainsworth in Big Pasco. The lease value is \$424,025.28 for the 3-year term of the lease (after 5% discount). The Executive Director has executed the agreement, as per the Commission's Delegation of Authority Policy.

Conflict of Interest Consent- the Executive Director signed a Letter of Consent for the Port attorney for the simultaneous representation of Danny Archibald and the Port of Pasco.

CALENDAR OF EVENTS

Commissioners and staff discussed the calendar of events.

RECESS

Commissioner Gordon recessed the meeting at 11:55 am until 12:15 for lunch, at 12:15, the meeting was called back to order.

EXECUTIVE SESSION

At 1:00 pm Commissioner Gordon announced that Commission would go into Executive Session for one hour, until 2:00 pm., to consider the acquisition of real estate, to consider the minimum price at which real estate will be offered for least, to review the performance of a public employee, and to discuss a position to be taken by the governing body during the course of collective bargaining. At 2:00, Executive Session was extended for 5 minutes, until 2:05. At 2:05 pm, the regular meeting was called back to order.

ADJOURNMENT

At 2:49 pm the meeting was recessed until 10 am on December 14th at the Tri-Cities Airport.

Port of Pasco Commission:


Vicki Gordon, President


Jean Ryckman, Vice President


Jim Klindworth, Secretary

Port of Pasco Commission
Minutes of Regular Meeting of Port Commission
Held remotely and in person with Public Access
Tri-Cities Airport 3601 N 20th Ave., Pasco, WA, 99301
December 14, 2023 | 10:00 a.m.

CALL TO ORDER

Commissioner Gordon called the reconvened meeting to order at 10:00 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.

Present: Commissioner Vicki Gordon, Commissioner Jean Ryckman, Commissioner Jim Klindworth, Executive Director Randy Hayden, Attorney Heidi Ellerd, Airport Director Buck Taft, Airport Deputy Director Don Faley, Director of Economic Development and Marketing Stephen McFadden, Finance Director Donna Watts, Director of Properties Mayra Reyna, Human Resources and Executive Staff Assistant Lori French.

Guests: Bob Linehart, John Groden, and Malloy Pohrer .

APPROVAL OF AGENDA

Agenda continued from Regular Commission Meeting on December 13th.

ITEMS FOR DISCUSSION

Parking Agreement with PCI- Representatives from PCI were in attendance to discuss the implementation of the PCI parking agreement at the Tri-Cities Airport.

Economic Development Opportunity Fund- Mr. Hayden and Ms. Watts and Commissioners discussed the Economic Development Opportunity Fund. Commissioners expressed agreement with the current and intended use of the fund.


RECESS

Commissioner Gordon recessed the meeting at 11:37 am until 12:00 for lunch, at 12:03, the meeting was called back to order.

ADJOURNMENT

The meeting was adjourned at 1:11pm.

Port of Pasco Commission:


Vicki Gordon, President


Jean Ryckman, Vice-President



Jim Klindworth, Secretary