

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
August 14, 2024 | 10:30 a.m.

CALL TO ORDER

Commissioner Ryckman 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 Jean Ryckman, Commissioner Jim Klindworth, Commissioner Vicki Gordon, Attorney Heidi Ellerd, Airport Director Buck Taft, Deputy Airport Director Don Faley, Finance Director Donna Watts, Director of Economic Development and Marketing Stephen McFadden, Office Administrator Shannon Kruiswyk, and Human Resources Director and Executive Assistant Lori French.

Guests: Port of Kennewick Commissioner Skip Novakovich, Megan Beck of Field Group, Colin Hastings of Pasco Chamber of Commerce, Ben Hoppe of JUB, Kenna Reid, Zahra Roach, Andrew Flabetich of HUB Insurance, and Joe Davis of Enduris.

Excused: Executive Director Randy Hayden and Director of Properties Mayra Reyna.

APPROVAL OF AGENDA

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

CONSENT AGENDA

- a) Regular Meeting Minutes of July 24, 2024.
- b) Vouchers and Warrants #102628-102704, and Direct Deposits #24574-24619 in the amount of \$1,188,996.34 for the General Fund.
- c) Accept as Complete- BPIC Warehouse 1 Bay 4 and Warehouse 3 Bay 2 Canopies.
- d) Accept as Complete- BPIC Building 300 Renovations.
- e) Accept as Complete- BPIC Industrial Center Entry Sign.
- f) Accept as Complete- Airport Business Center Taxilane A Project.
- g) Accept as Complete- Airport Business Center Airside and Landside Improvements.

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

PUBLIC CITIZEN COMMENT

Commissioner Novakovich was in attendance to discuss requests to the Port of Pasco Commission. The first item was a request for the Port of Pasco to provide a representative, either Commissioner or staff member, to participate in the Board of Trustees for the Tamastslikt Cultural Institute. Second, a request to the Port to provide a support role for the Hanford Area Economic Infrastructure Fund (HAEIF). And third, Port of Kennewick CEO has requested a joint meeting between the Port of Pasco and Port of Kennewick Commissions to discuss shared interests. The Commissioners thanked Commissioner Novakovich for his attendance and will consider his requests.

PUBLIC HEARINGS AND RESOLUTIONS

Resolution 1632- Changing the Time of the Second Commission Meeting- Ms. French presented, the Regional Chamber Luncheon for the month of August falls during the next Commission Meeting, as the Commissioners have expressed interest in attending the luncheon, staff has prepared a Resolution to change the time of the Commission Meeting, for Commission consideration.

Commissioner Klindworth moved and Commissioner Gordon seconded to adopt Resolution 1632- Changing the Time of the Second Commission Meeting, to August 28th at 9:30 am. Motion passed unanimously.

ITEMS FOR ACTION

Award of BPIC Warehouse 4 Bay 1 Re-Roof Project- Mr. McFadden presented, ten bids were received on August 7th for the Big Pasco Industrial Center WH4B1 Re-Roof project, with the low-bidder being Leslie & Campbell Inc., of Union Gap for a total of \$192, 132.27 including sales tax. The bidder's responsibility criteria has been checked per state law and the company is not disqualified from bidding on public works contracts.

Commissioner Gordon moved and Commissioner Klindworth seconded to award the contract for the BPIC Warehouse 4 Bay 1 Project to Leslie & Campbell Inc. as they appear to have submitted the lowest, responsible, responsive Bid in accordance with the Contract Documents. For the Total Contract Price, including sales tax, of \$192,132.27. Motion passed unanimously.

Enduris Insurance Renewal- Mr. Flabetich and Mr. Davis were in attendance to present the property and liability insurance renewal for the 2024/2025 coverage year. The premium increases are as follows:

Coverage	2023/2024	2024/2025
Enduris - General Liability	\$86,838	\$93,871
<i>Premium increase</i>	<i>12.4%</i>	<i>8.1%</i>
Enduris - Property	\$545,373	\$605,957
<i>Premium increase</i>	<i>4.9%</i>	<i>3.9%</i>
<i>Property value increase</i>	<i>7.2%</i>	<i>7.2%</i>
Enduris - Auto	\$29,184	\$31,654
<i>Premium increase</i>	<i>-6.1%</i>	<i>4.7%</i>
<i>Property value increase</i>	<i>14.6%</i>	<i>3.8%</i>
Total	\$661,395	\$731,482
<i>Percentage Increase</i>	<i>12.0%</i>	<i>10.6%</i>

Commissioner Gordon moved and Commissioner Klindworth seconded to accept the Enduris insurance for the policy year effective September 1, 2024, to August 31, 2025, for liability (non-aviation), property, and auto physical damage. Motion passed unanimously.

Insurance Broker Agreement- Ms. Watts presented the agreement and fees for the Property & Casualties Insurance Broker. Staff would like to continue to work with HUB International as the broker. The proposed agreement sets a straight fee for broker services for three years for the amount of \$195,000, billed annually for \$65,000, for the services outlined in the agreement. Staff has been pleased with the services that HUB provides, as well as the customer service team that works with the Port.

Commissioner Klindworth moved and Commissioner Gordon seconded to approve the Executive Director to sign the agreement with HUB International for all current Property and Casualty Insurance Policies 9/1/2024 to 8/31/2027 in the amount of \$195,000. Motion passed unanimously.

Sage Intacct Software (Accounting, Capital Projects, Property Management)- Ms. Watts presented, staff have been in the process of searching for software that can accommodate the needs of the Port for accounting and properties. This search has been sped up due to the end of support and updates for the current software system, Microsoft Great Plains. Sage Intacct is the most suitable replacement that would allow the Port to become more efficient in both payroll/finance operations, property management, and capital projects management.

Costs for Sage Intacct are a significant increase over our current software and not including sales tax, the annual overall costs would increase from approximately \$10,000/year to \$51,000/year. This includes an increase of \$16,000/year for the base accounting system, plus \$15,000/year for the new property management software and \$10,000/year for the new project management software. In addition, there is a one-time implementation cost of \$44,000 (\$65,000 less a first-year software discount of \$21,000) to migrate the current system over to the new system. Sage Intacct is only offered through a network of Sage-approved consultants. Staff talked to various consultants and is recommending a 5-year contract with Aktion Associates. Their proposal locks in the software rate for the first 3 years with a not-to-exceed 5% increase in the last 2 years.

Commissioner Ryckman moved and Commissioner Gordon seconded to authorize the Executive Director to sign a 5-year agreement with Aktion Associates, Inc. for Sage Intacct Software for \$263,000 over a 5-year period and implementation costs of \$65,000, with additional authority to approve increases up to 5% above these amounts for unforeseen costs. Motion passed unanimously.

Runway 12-30 Shift Construction Project AIP Grant 60- Mr. Taft presented, the AIP 60 Grant is expected to be disbursed on September 9th. This Grant will be for the Runway 12-30 Shift Construction Project. The Grant will be for \$14,149,057.00 and is a 90% Federal 10% local split. The FAA share of the Grant is \$12,734,151.00 and the Port share of the Grant - \$1,414,906.00.

Mead & Hunt has provided a proposal for the Runway 12-30 Shift Construction Management. An Independent Fee Estimates, LLC, from Meridian, Idaho and it was determined that the Mead & Hunt's fees were within 5.76% of the IFE. The FAA has also reviewed Mead & Hunt's fees and found them to be eligible for Federal funding through the AIP Grant 60. Mead & Hunt's fee proposal for the Runway 12-30 Construction Management is \$1,767,331.46. The Port will be responsible for 10% of the fee, which is \$176,733.15.

The Commission has previously awarded the construction contract to Granite Construction, pending the receipt of the Grant, and Granite is able to accept or decline the new project dates for their earlier bid. If they decline, the project will be rebid.

Commissioner Gordon moved and Commissioner Klindworth seconded to authorize the Executive Director to sign AIP 60 Grant with the FAA, for Runway 12-30 Shift Construction Project. Motion passed unanimously.

Commissioner Gordon moved and Commissioner Klindworth seconded to authorize the Executive Director to sign Task Order #17 with Mead & Hunt, for the Runway 12-30 Construction Management, for \$1,767,331.46, once the Port has received AIP 60 Grant. Motion passed unanimously.

Snow Removal Equipment Building Design- AIP Grant 61- Mr. Taft presented, The Port is scheduled to receive BIL AIG 61 Grant from the FAA, for signatures. This Grant is for the Snow Removal Equipment (SRE) Building Concept & Budget Report, and the Documented Categorical Exclusion. The BIL AIG 61 Grant is in the amount of \$479,780.00 and is a 90% Federal 10% local split. The grant will fund the design concept development, which is a budget report that will identify what will be the AIP eligibility of the building and the documented Environmental Categorical Exclusion for the construction. The FAA share of the Grant is \$431,802.00 and the Port's share of the Grant is \$47,978.00.

Mead & Hunt has provided a proposal for the SRE Building Concept & Budget Report, and the Documented Categorical Exclusion for this project. An IFE was conducted using Burns McDonnell, from Kansas City, Missouri. Mead & Hunt's proposal was 4.11% lower than the IFE consultant. The FAA has reviewed Mead & Hunt's fees and has found them to be eligible for Federal funding through the BIL-AIG 61 Grant. Mead & Hunt's fee proposal for the SRE Building Concept & Budget Report, and Documented Categorical Exclusion is \$470,530.10. The Port will be responsible for 10% of the fee, which is 47,053.01.

Commissioner Klindworth moved and Commissioner Gordon seconded to authorize the Executive Director to sign BIL AIG 61 Grant with the FAA, for the SRE Building Concept & Budget Report, and the Documented Categorical Exclusion. Motion passed unanimously.

Commissioner Klindworth moved and Commissioner Gordon seconded to authorize the Executive Director to sign Task Order #5 with Mead & Hunt, for the SRE Building Concept & Design Report, and Documented Categorical Exclusion, for \$470,530.10 once the grant is received. Motion passed unanimously.

ITEMS FOR DISCUSSION

Director Reports:

1. Airport Director
 - a. Mr. Taft discussed the Airport Activities Report and provided the Analytics Reports for the Tri-Cities and Yakima.

- b. Mr. Taft noted the Parking Lot Equipment Project is well underway and that the installers are working through the issues that have come up.
- 2. Airport Deputy Director
 - a. Mr. Faley discussed the water damage that recently occurred in the Battelle Hangar.
 - b. Mr. Faley discussed Phase 1 of the East GA Ramp Project. This phase will have minimal impact on tenants.
- 3. Human Resource Director
 - a. Ms. French noted that staff would like to discuss Collective Bargaining during Executive Session.
- 4. Finance Director
 - a. Ms. Watts noted the Port's 2023 Financial Statement and Federal Single Audit have been completed and the Port did not receive any exit recommendations.
- 5. Director of Economic Development and Marketing
 - a. Mr. McFadden discussed the EDM Report and provided the Digital Analytics Report for the Port.
 - b. Mr. McFadden asked the Commission if they would consider promotional sponsorship of the CBC Trust fundraiser for workforce development. The Commission agreed that Mr. McFadden could bring back a formal request at a later meeting date.

Commissioner Reports:

Commissioner Klindworth discussed the history of North Franklin Development Corporation, and that it would be disbanding.

Commissioner Gordon noted that she is the Chair for the Nominating Committee for the Columbia Basin Development League, and that they were searching for representatives from Franklin and Adams Counties. She also noted that Commissioner Ryckman would be attending the upcoming Benton Franklin Council of Governments Meeting as her stand in.

Commissioner Ryckman also noted that she received an excellent tour of Syngenta with Mr. Hayden.

ITEMS FOR INFORMATION

Tigre, USA- In 2021, TIGRE USA acquired Duraplastics Inc., which has held 43,200 square feet in Warehouse 3 Bay 2 and 10,800 square feet in Warehouse 3 Bay 3 since 1995. Following the ownership transition, TIGRE secured a 2-year lease with an option for renewal at a discounted rate. After negotiations for the current lease, we have mutually agreed to a two-year lease with a 4% discount. The lease value is \$175,028.40 per year. The Executive Director has executed the lease, per the Commission's Delegation of Authority Policy.

Desert River Development, LLC to RNA Aviation LLC Assignment- Desert River Development LLC entered into a land lease in the Tri-Cities Airport Business Center in April 2024 for Lot #7 to construct an airplane hangar. James Alford, of Desert River Development LLC, recently started a new LLC with a partner (Bruce Ratchford) on the project and requested the lease for Lot #7 be assigned to the new LLC, RNA Aviation LLC. Effective July 1, 2024, the lease between the Port and Desert River Development LLC for Lot 7 in the TCABC has been assigned to RNA Aviation LLC. No other modifications to the lease

agreement were made. The Executive Director has executed the assignment document as per the Commission's Delegation of Authority Policy.

CALENDAR OF EVENTS

Commission and Staff discussed the Calendar of Events.

RECESS

At 12:04, Commissioner Ryckman recessed the meeting for lunch until 12:30. At which time, the meeting would go into Executive Session for 10 minutes with no action expected to follow.

EXECUTIVE SESSION


At 12:30, Commissioner Ryckman announced that the meeting would go into Executive Session for 10 minutes, to discuss collective bargaining strategy. At 12:40, the Executive Session was extended for 5 minutes.


At 12:45, the regular meeting was resumed.


ADJOURNMENT

At 12:45 pm the meeting was adjourned.

Port of Pasco Commission:


Jean Ryckman, President


Jim Klindworth, Vice-President


Vicki Gordon, Secretary