

**PORT OF BENTON
COMMISSION MEETING MINUTES
August 9, 2017**

A. CALL TO ORDER: The regular monthly meeting was called to order at 8:30 a.m. at the Port of Benton Commission Meeting Room, 3250 Port of Benton Boulevard, Richland, Washington. Present were Commissioners Jane F. Hagarty, Roy D. Keck and Robert D. Larson. Staff members present included Executive Director, Scott D. Keller, PPM ®; Director of Finance, Stuart B. Dezember; Director of Airports, John Haakenson; Director of Maintenance, Kevin Howard; Director of Governmental Affairs and Economic Development, Diahann Howard; Director of Real Estate, Teresa Hancock; Director of Communications and Marketing, Wally Williams; Administrative Assistant, Kelly Thompson; Port Attorney David Billetdeaux and Port Counsel, Tom Cowan. Also in attendance were Pete Rogalsky and Terry Christensen.

B. PLEDGE OF ALLEGIANCE: Commissioner Roy D. Keck led those present in reciting the Pledge of Allegiance.

C. CURRENT BUSINESS:

1. CONSENT ITEMS: A motion was made by Commissioner Jane Hagarty, seconded by Commissioner Roy Keck and unanimously passed by the Commission approving the July 12, 2017, Commission Meeting Minutes and Resolution 17-16 to cancel Warrant No. 66670 in the amount of \$140.10.

2. UNSCHEDULED BUSINESS/VISITORS: Pete Rogalsky, City of Richland, discussed the City of Richland's request to approve the design of Steptoe Crossing. He advised that all three of the railroads were advised, allowed to give input and agreed on improvement to the at-grade crossing. Washington State is offering grant funding for 100% of construction costs for plans that will be quickly implemented. The City of Richland is also requesting a waiver for the Washington Utilities and Transportation Commission (WUTC) for the improvements. The WUTC typically requires public hearings, but in this instance is able to waive that requirement if all parties agree.

A motion was made by Commissioner Roy Keck, seconded by Commissioner Jane Hagarty and unanimously passed by the Commission authorizing the Executive Director to send a letter supporting improvements to the at-grade crossing at Steptoe.

D. COMMISSIONER COMMENTS: Commissioner Keck commented on his attendance at the Port's three barbeques and the Washington Public Ports Association (WPPA) Commissioner Seminar. The main focus at the seminar was discussion on the number of new Commissioners coming in to WPPA and how to listen to their singular issues.

Commissioner Hagarty discussed the upcoming Walter Clore Wine and Culinary Center Legends of Washington Wine Country event, and the Prosser Economic Development Association (PEDA) meeting. She also commented on the Prosser Chamber of Commerce events.

Commissioner Larson commented on his attendance at the Association of Pacific Ports Summer Conference, held in American Samoa, the main focus was building partnerships throughout the Pacific Ports. He also stated he and Commissioner Keck attended Port of Pasco Commissioner Ron Reimann's funeral service.

- E. COUNSEL/PORT ATTORNEY COMMENTS:** Port Counsel Cowan stated his comments were reserved for the Executive Session. Port Attorney Billetdeaux stated there were three easements to seek approval for execution. The first is to relinquish the current sewer easement in the Willowpointe Development area, as the sewer has been relocated. The second is for the relocated sewer area in the Willowpointe Development area pursuant to the 2012 Real Estate Purchase and Sale Agreement with TRE, LLC. The third is to grant an easement on the north side of Lamb Weston, a requirement of the Federal Aviation Administration (FAA).

A motion was made by Commissioner Roy Keck, seconded by Commissioner Jane Hagarty and unanimously passed by the Commission approving the three easements and authorizing the Executive Director to execute all necessary documents to finalize these.

- F. EXECUTIVE DIRECTOR COMMENTS:** The Executive Director requested approval to execute three (3) contracts with Archibald & Co. These projects were started under the previously approved Miscellaneous Contract, however they now need to be separated into individual contracts and replenish the Miscellaneous Contract: 1. 2650 Salk improvements, \$7,500; 2. CDC Building Improvements, \$15,000; 3. Increase the 2017 Miscellaneous Design Services, \$15,000, for a revised total of \$37,500.

A motion was made by Commissioner Roy Keck, seconded by Commissioner Jane Hagarty and unanimously passed by the Commission authorizing the Executive Director to execute all necessary documents and increase the Archibald & Co. contract by \$37,500.

The Executive Director discussed the new lease with Westinghouse Electric Company. This lease is for all buildings and 8.23 acres of land in the Technology and Business Campus. The initial terms from July 1, 2017 - January 31, 2018 (six months) and five (1) year renewals. Monthly rent is \$21,206.25, plus leasehold excise tax, also requesting approval to reduce security deposit to three months of payments (\$71,787.39).

A motion was made by Commissioner Roy Keck, seconded by Commissioner Jane Hagarty, and unanimously passed by the Commission authorizing the Executive Director to execute the new lease with Westinghouse Electric Company. This lease is for all buildings and 8.23 acres of land in the Technology and Business Campus. The initial term is from July 1, 2017- January 31, 2018 (six months) and five (1) year renewals. Monthly rent is \$21,206.25, plus leasehold excise tax, and approval to reduce the security deposit to three months of payments (\$71,787.39).

The Executive Director informed the Commission that Hi Line Engineering is moving forward with their design and has decided to reduce the size and height of their building.

The Executive Director discussed the construction bidding climate with the Commissioners. He explained a few recent bids and the fact that they are coming in two to three times higher

than engineer's estimates. Contractors are extremely busy and there is plenty of work. He also explained that as responsible stewards of taxpayers' money, the Port cannot pay these exorbitant prices for the construction of new buildings. The Commissioners all stated they are aware of the current bidding climate and agree.

G. STAFF INFORMATION REPORTS:

COMMUNICATIONS AND MARKETING: The Director of Marketing stated he is working on the Total Energy Management Open House and the Fall Newsletter. He and the Director of Maintenance are working with Confederated Tribes of the Umatilla Indian Reservation (CTUIR) on the design of outdoor panels that tell the history of Crow Butte and the Native Americans who thrived along the river. Once complete the panels will be placed at the park.

The Director of Economic Development and Governmental Affairs provided a brief video on the recent tour of LIGO.

GRANTS: The Grants Status report was reviewed.

GOVERNMENTAL AFFAIRS: The Director of Economic Development and Governmental Affairs updated the Commission on her projects. She also updated the Commission on conversation with the Maritime Administration (MARAD) for property in the Richland Innovation Center. She stated the Port needs to follow its standard budget process and requested the option to purchase over time. The use of local appraisers was also requested. She provided an overview highlighting updates on the Northwest Seaport Alliance presentation provided to local leadership.

H. SITE PROJECTS UPDATE: The Commission was briefed on the Technology and Business Campus, Tri Cities Enterprise Center Building, Richland Business Park, Railroad, Richland Innovation Center, Richland Airport, Prosser Airport, Prosser Wine and Food Park, Vintners' Village, Walter Clore Wine and Culinary Center, Benton City Downtown Properties and Crow Butte Park.

I. PORT FINANCIAL ISSUES: Vouchers audited by the Auditor as required by RCW 42.24.080 and certified expense reimbursement claims as required by RCW 42.24.090 have been recorded on a listing, which has been made available to the Port Commission. As of this date, August 9, 2017, Port Commission by unanimous vote approved for payment those vouchers included in said listing and further described as follows: Payroll Warrants numbered 03816 through 03870 totaling \$106,227.62 and General Expense Warrants numbered 066559 through 066745 totaling \$1,163,399.35 from the General Expense Fund. The Director of Finance distributed a report to the Commissioners comparing the 2017 budget to the actual financial results as of May 31, 2017.

The Director of Finance provided a mid-year budget update and stated it was time for the annual renewal of the Port's lines of credit with Banner Bank. The lines of credit have the same terms and conditions as in previous years.

A motion was made by Commissioner Roy Keck, seconded by Commissioner Jane Hagarty and unanimously passed by the Commission authorizing the Executive

Director to execute all necessary documents for the annual renewal of the Port's lines of credit with Banner Bank. These lines of credit have the same terms and conditions as in previous years.

- J. EXECUTIVE SESSION:** The regular Commission Meeting was recessed at 11:00 a.m. and an Executive Session was convened to discuss evaluating a legal risk pursuant to RCW 42.30.110(1) (i) (i-iii). The Commission announced the Executive session would last no longer than forty (40) minutes. The Executive Session was adjourned at 11:40 a.m. and the regular Commission Meeting was reconvened.
- K. A motion was made by Commissioner Jane Hagarty, seconded by Commissioner Roy Keck and unanimously passed by the Commission authorizing the Executive Director to sign the waiver of hearing for Washington Utilities and Transportation Commission (WUTC) regarding improvements to the at-grade crossing at Steptoe for purposes of safety improvements and to further economic development.**
- L. ADJOURNMENT:** With no further business, the meeting was adjourned at 11:41 a.m.

Roy D. Keck,
Commission Secretary