

**PORT OF BENTON
COMMISSION MEETING MINUTES
JULY 8, 2020**

A. CALL TO ORDER: The regular monthly meeting was called to order at 8:32 a.m. at Port of Benton Commission Meeting Room, 3250 Port of Benton Boulevard, Richland, Washington.

Present: Commissioner Roy D. Keck, Commissioner Robert D. Larson, Commissioner Jane F. Hagarty. Executive Director, Diahann Howard, PPM; Director of Economic Development and Government Affairs, Miles Thomas; Administrative Tech, Summers Miya; Interim Director of Finance, CPA, Karen Schmidt; Director of Real Estate, Teresa Hancock (via remote telecommunications); Port Counsel, David Billetdeaux (via remote telecommunications); Director of Marketing, Wally Williams (via remote telecommunications); Senior Accountant, Veronica Serna (via remote telecommunications); Administrative Assistant, Sheri Collins (via remote telecommunications); Facilities Manager, Ron Branine (via remote telecommunications); Airport Manager, Joe Walker (via remote telecommunications); Director of Special Projects, John Haakenson (via remote telecommunications); Director of Finance/CPA, Danielle Connor (via remote telecommunications); and Tri-Cities Area Journal of Business/Senior Times, Wendy Culverwell (via remote telecommunications).

The Commission Meeting was conducted using the CDC (Centers for Disease Control) recommended social distancing protocols for COVID-19 with Commissioners meeting in-person; public attending remotely and Port staff members participating in-person or remotely, and said meeting was noticed as required by RCW 42.30.070.

Commissioner Hagarty read action items aloud alphabetically by last name and asked that each commissioner signify their vote by announcing 'Yay' or 'Nay' aloud. Further, when a Commissioner wishes to speak, the name of the Commissioner will be announced for those using remote telecommunications.

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

C. CONSENT AGENDA:

1. A motion was made by Commissioner Roy Keck, seconded by Commissioner Robert Larson and unanimously passed by the Commission approving the June 10, 2020 Commission Meeting Minutes, approval of vouchers and certifications, including payroll, for the month of June totaling \$1,041,106.22, the approval or Resolution 20-31, to cancel warrant No. 073050, in the amount of \$9,297.50, the approval of Resolution 20-32, to cancel warrant No. 073046, in the amount of \$196.11, the approval of Resolution 20-33, to cancel warrant No. 073058, in the amount of \$10.65 and the approval of Resolution 20-34, to cancel warrant No. 073069, in the amount of \$820.

D. PUBLIC COMMENT: There were no comments from the public or visitors. The public was able to participate via Zoom or telephonic conference and instructions were given to the public as to how they could comment.

E. ITEMS OF BUSINESS:

1. RESOLUTION 20-29 – AUTHORIZING THE PORT EXECUTIVE DIRECTOR TO SELL AND CONVEY SURPLUS PROPERTY WITH LESS THAN \$10,000 VALUE: Port Attorney, David Billetdeaux explained that similar resolutions have been performed in prior years. Because the COVID-19 pandemic has required new technology to replace older software and equipment, there now exists excess equipment that is better suited to be sold or traded in. A list will be created by the next Commission Meeting of equipment meeting the requirements for surplus.

Executive Director Diahann Howard added that any equipment that can be traded in will be. Any equipment that needs upgraded will be added to the surplus list and either sold or donated to local charities if the item is no longer of value and the charity meets all necessary requirements. Maintenance equipment is included in the surplus project in addition to computer hardware and software. The Finance department will verify values.

RESOLUTION 20-29 - AUTHORIZING THE PORT EXECUTIVE DIRECTOR TO SELL AND CONVEY SURPLUS PROPERTY WITH LESS THAN \$10,000 VALUE: A motion was made by Commissioner Roy Keck, seconded by Commissioner Robert Larson and unanimously passed by the Commission approving Resolution 20-29, authorizing the Executive Director to sell and convey surplus property with less than \$10,000 value.

2. RESOLUTION 20-30 – ACCEPTING WORK COMPLETED BY SIEFKEN & SONS CONSTRUCTION, INC. FOR THE CHUKAR CHERRY FAÇADE IMPROVEMENT PROJECT: Executive Director Diahann Howard explained that approval of Resolution 20-30 allows the Port of Benton to accept work completed by Siefken & Sons on the Chukar Cherry Façade Improvement Project and therefore, the Port can pay them the remaining balance of \$77,863.44 to finalize the project. Howard acknowledged Director of Special Projects John Haakenson for his dedication and hard work to this project, along with the Port team.

RESOLUTION 20-30 - ACCEPTING WORK COMPLETED BY SIEFKEN & SONS CONSTRUCTION, INC. FOR THE CHUKAR CHERRY FAÇADE IMPROVEMENT PROJECT: A motion was made by Commissioner Roy Keck, seconded by Commissioner Robert Larson and unanimously passed by the Commission approving the work completed by Siefken & Sons Construction, Inc. for the Chukar Cherry Façade Improvement Project completion.

F. INFORMATION REPORTS:

1. Grants Update: Executive Director, Diahann Howard noted that current projects have been moving forward.

The Port is looking into additional funding from the state for FRIP/FRAP to support rail crossing improvements due to discoveries found during the current project and continued need of repair.

Railworks Track Systems continues to work on the Rail Rehab project. All the new cross ties have been installed, and all the new track (non-bridge) ballast has been placed. All of the planned skewed ties have also been straightened and Railworks is currently tamping and realigning the track from the Yakima River Bridge to Duportail.

For the last two weekends, Railworks has been replacing bridge ties on the Yakima River Bridge and have currently replaced 157 of the 400 ties on this bridge. This work is a slow effort as the crew are

in safety harnesses tied off to the bridge and they are working in very tight conditions. The Port anticipates that the Yakima River bridge work will be completed by July 25th.

The weekend of July 25-26, the contractor anticipates completing the Jadwin crossing and the pedestrian crossing of the track by the Yakima. The following two weekends would be completing the I-182 Berry's Bridge. During the Berry's Bridge work, the contractor will have traffic controls on I-182 narrowing the lanes.

Commissioner Larson inquired as to why some of the airport grants would not be available for a number of years and Howard added that many of the FAA grants for the Prosser and Richland Airports are in the queue as the FAA forecasts many years out.

2. Properties/Projects Update

A. Financial & Administration Systems (INTACCT) – Interim Director of Finance, CPA, Karen Schmidt presented on an integrated financial reporting, lease administration, work order and geo spatial mapping system that involves four major components: FAMIS, Lucernex, ArcGIS Mapping & Analytics and SAGE INTACCT & Criterion. Schmidt began with an overview of FAMIS:

- **FAMIS Work Order Management Key Features**
 - Self Service Request Management
 - Reactive Work Orders
 - Asset Management
 - Preventative Maintenance
 - Labor Management
 - Approvals
 - Work-loading
 - Time Card
 - Basic Inventory

Schmidt explained that the FAMIS system will enhance the work order process tremendously and will be invaluable with projects. The system will save time and money.

Facilities Manager, Ron Branine added that the Accruent software can track life cycles of equipment, in addition to tracking trends of problem areas and help the Port get ahead of problem areas and the Port team will gain efficiency on day-to-day projects.

Director of Real Estate, Teresa Hancock highlighted the Lucernex component of the system, noting that the new program will help the Port be better aligned in linking key lease data and generating related accounting detail beneficial for decision making purposes for lease and assets, and ability to, foresee expenditures down the line.

- **Lucernex Key Features**
 - Maintain generally accepted accounting principles – GASB 87
 - Supports real estate and equipment leases
 - Freedom to support complex lease structures
 - Manage rate change, pass throughs, and generate rent role accurately and efficiently
 - Maximize negotiated lease terms
 - Cyber secure environment

Interim Director of Finance, CPA, Karen Schmidt added that Lucernex provides a direct link to contracts and the Port would be able to identify and redeploy maintenance more effectively.

Schmidt continued with information on the Sage INTACCT & Criterion component of the system, focusing on the system being cloud based and a cyber secure environment that updates on a quarterly basis in addition to being strong in grant accounting, which currently is recognized as an area that needs improvement at the Port. Schmidt provided an overview of benefits of the Sage INTACCT & Criterion system:

- Sage INTACCT & Criterion Key Features
 - Cloud based
 - API's provided for 3rd party application integration
 - Web browser accessibility
 - Upgrades are quarterly and automatic
 - Multi/Inter company
 - Project/Grant accounting
 - Workflow approval
 - Dimensional Chart of Accounts
 - Budget Sharing
 - Forecasting and analysis
 - Cyber-secure environment
 - ScanForce, Avalara Tax and Salesforce CRM complimentary

An overview of mapping and analytics was provided along with a complete breakdown of system cost, which totals \$98,000 with the implementation and training and Schmidt does not anticipate the annual subscription to be more than \$56,700 a year.

Commissioner Keck inquired on how this new system compares to the current system. Schmidt commented on the new system's cyber-security abilities that the Port's current system does not possess. Executive Director Diahann Howard added that the new system will saving the Port dollars in the long term. The current system for work order is \$30,000 per year and is not addressing or providing the integration needed.

Schmidt added that she is looking for a touchless transition and would ask that the data is transferred electronically.

Facilities Manager, Ron Branine added that the maintenance team will have access to parts of the FAMIS app and that the new system will also send automatic replies.

Commissioner Keck asked how long it will take to transition into the new system and Schmidt explained that the Port's goal would be to have everything implemented by the end of the third quarter, which will allow the Port time to identify that the correct data is going in and out and the Port will run the new system with the current system through the third quarter to compare data and ensure that everything is completely and appropriately aligned.

Executive Director Howard added that the timing is right to implement the new system, yet it is not a budgeted item for 2020 and Howard asked for a motion to proceed with negotiation and bring a resolution to the August Commission meeting.

A motion was made by Commissioner Roy Keck, seconded by Commissioner Robert Larson and unanimously passed by the Commission approving the Port to continue negotiation with the Integrated Financial Reporting, Lease Administration, Work Order & Geo Spatial Mapping System in

the amount of \$98,000 annual not to exceed \$56,700, and present a resolution at the August Commission Meeting.

B. AMCG Update – Airport Manager, Joe Walker provided an update on the rent studies being performed by AMCG. AMCG conducted a site visit July 6th and 7th, visiting both the Prosser and Richland Airports. Additionally, AMCG also visited recent land sales and comps while in the area. AMCG has the majority of their research complete and expects to have a final report shortly after the Port’s public outreach. AMCG will be in touch soon with their availability for the public outreach sessions to provide information on how they are conducting their analysis. The Port expects that to take place within the next two weeks and Marketing Director, Wally Williams is assisting with a postcard with the event information.

G. COMMISSIONER REPORTS/COMMENTS: Commissioner Keck announced that he has been attending the weekly WPPA updates via Zoom, as well as TRIDEC’s virtual updates, including Coffee with Karl. Commissioner Keck noted that he is doubtful that things will ever go back to how they once were.

Commissioner Larson began by complimenting the recent article in the Senior Times publication, written by Wendy Culverwell, that featured Commissioner Keck’s refurbished boat, along with an article of the recent Crow Butte work that featured a picture of Port of Benton Maintenance employee, Robert Jackson. Commissioner Larson complimented both articles as well as Wendy Culverwell’s writing.

It was decided that the Port will add the Senior Times publication in future Commissioner mail packets.

Commissioner Larson continued by complimenting Director of Economic & Government Affairs, Miles Thomas on his recent work towards the Triton Sail Park and B Reactor Tours and also complimented Richland Rotary’s recent guest, Steven Wiley, on his “The Science of COVID-19” presentation, noting that the presentation was extremely educational and important.

Executive Director Howard agreed with Commissioner Larson and agreed to share the Rotary COVID-19 presentation with the Port team, as the data presented was factual and science-driven.

Commissioner Larson also noted that at the most recent Benton-Franklin Council of Government meetings, it was announced that WSDOT had approved grant monies to Prosser and they were just waiting on the State’s final approval.

Commissioner Hagarty noted that the Prosser Chamber had decided to cancel the 4th of July fireworks and all events at the park had also been cancelled because of the COVID-19 outbreak. Additionally, the July Art Walk was cancelled, and the Beer & Whiskey Festival has been moved to October. Commissioner Hagarty added that the State’s Day Parade is moving forward, and Prosser is working with businesses and the city to close some downtown streets in order to add outdoor seating for restaurants. An outdoor theatre is also planned once Benton County has reached Phase II of the Stay Home, Stay Healthy order.

Commissioner Hagarty informed that the Prosser Economic Development Association (PEDA) has hired a new Executive Director, Neal Ripplinger, who started on July 6th. Retiring Executive Director, Deb Heintz, has agreed to stay on throughout the transition and the duo has been touring around Prosser in separate vehicles and training, while maintaining a safe social distance.

Commissioner Hagarty added that the new hospital in Prosser has purchased all the land north of the rest area, about 20 acres just to the north of exit 80. Any future plans for the existing hospital are unknown at this time and building for the new facility will begin in 2023.

Commissioner Hagarty concluded her update with a note that she will attend the Walter Clore Board meeting on the 22nd of July, as they should have all of their financials back by then, which will allow them to develop a plan for the Clore Center's next steps.

H: DIRECTOR REPORTS/COMMENTS

1. EXECUTIVE DIRECTOR: Executive Director, Diahann Howard noted that RailWorks Corporation continues to replace the railroad bridge ties and to date, 157 ties have been replaced. Howard noted that the work has been slow, but the Yakima River bridge work is anticipated to be completed soon. The Jadwin crossing work has been completed and as reported during the grants report section, traffic control will be imminent as work continues and progresses. Additionally, as more work is completed, more problem areas have been discovered.

Howard added that she will continue for one more year as the Visit Tri-Cities representative on the Tri-Cities Legislative Council, with Miles taking over the position in 2021-2022.

Additionally, Howard added that work is moving forward on the Entrepreneurial Awards and this year's event will be held virtually on November 10th. Rotary and the Port have partnered with WSU-TC to handle the production of the event. The Port has nominated Wautoma Springs.

Howard noted that she will be participating in the WPPA Executive Director conference via Zoom and a virtual WEDA conference next week.

Howard complimented Airport Manager Joe Walker on his success of working with the airport tenants on cleaning their areas, including a Ford Ranger with four flat tires that had been stationary for a number of years.

2. PORT ATTORNEY: Port Attorney David Billetdeaux announced that it has come to the Port's attention that a number of employees were not contributing to their deferred compensation and/or PERS accounts at the threshold they believed they were. The finance department immediately looked into the issue and found a few odd numbers that were input by past finance department employees. This alone was not enough to determine if errors occurred, because those values may have been exactly what the individual employees asked for. So, Interim Director of Finance, Karen Schmidt, sent out emails to each employee, individually, to verify the amounts they intended to fund their accounts with. If anyone believes that corrections need to be made, Karen and Veronica were available to help.

Billetdeaux added that he has been researching performance review templates to re-introduce to Port employees and hopes to have these implemented next year. Items addressed will include: What can be expected, how can you grow and improve as a Port employee.

Billetdeaux provided an update on the 2019 Butler Loop project and relayed that the environmental issues and remediation efforts have been completed and the Port is preparing for the next tenant. The Test America project has received two proposals and the Port is getting closer on a final environmental standpoint.

Billetdeaux noted that he continues negotiations with ProDIGIQ, which is a software designed for airports but being utilized for all port properties through tenant maintenance request modules built in to the port's website to streamline tenant/employee work for more efficiency and management of expenditure oversight. Billetdeaux hopes to be able to negotiate an end to the contract, as the Port was unaware the contract was for as many years as it was when a previous Port employee entered into the terms.

Billetdeaux added that the Port is paying close attention to the Governor's orders and the mandates of each phase so the Port can remain in line with current proclamations.

Billetdeaux concluded his report with an update on TCRY. TCRY has recently added new tariffs and are asking for \$135/car. The language is vague, but it appears TCRY is charging shippers, although

none of the shippers have contracts with TCRY. Billetdeaux noted that the Port has outside council looking into the matter and also noted that TCRY has language on their website stating that the Port has reviewed and approved the tariffs, which is untrue.

3. FINANCE DIRECTOR: Director of Finance/CPA, Danielle Connor announced that final billing has been submitted to RCO for reimbursement of the Crow Butte campground project grant.

Connor added that she has begun a project reviewing the chart of accounts and is working to update as a way to provide value and more structure to the organization. This project will be completed in conjunction with the new financial systems presented earlier.

Interim Director of Finance, Karen Schmidt added that she has been working on a number of projects, including the 2021 budget and is working towards the airport reimbursement submission as well. As part of her transition with Danielle, Danielle will be taking over all voucher approvals in July.

4. ECONOMIC DEVELOPMENT & GOVERNMENT AFFAIRS: Director of Economic & Government Affairs, Miles Thomas announced completing outreach with Maul Foster Alongi on the Port's Strategic Plan, ending with the Community Leader Focus Group, which included 30-35 attendees from a wide variety of local businesses and organizations. Many high-level focus areas were shared from the attendees, including: Partnerships, opportunities, digital port, research district, location, hub for innovation and more.

Thomas added that an overview of the plans for the 1,341 acres was shared and the plan includes seeking a joint investment with the City of Richland to submit an EDA application for sewer extension and the project estimate is \$5 million.

Thomas noted the struggle with Zoom and the ability to have collaborative conversations with participants. The Port did provide attendees with lunch through Grubhub, which he felt added to the success of the event.

Commissioner Hagarty inquired on whether or not any of the participants in the Community Leader Focus Group brought up food trucks anywhere in Prosser.

Thomas acknowledged that the responses during the session were anonymous, but creative responses were received, including discussion about a large food truck that WSU-TC is working on with their hospitality department. This food truck will be mobile and train hospitality students. The Clore Center and Vintners Village were mentioned as possible sites for this food truck to visit.

Commissioner Hagarty brought up the health department and their regulations and Thomas informed that nearby businesses are able to share their facilities with employees of mobile food vendors.

Thomas continued with an update that the Port continues to work on ways to support economic development and tourism and will work to reduce impacts on the tourism industry from COVID-19 and the Port will also continue to seek resiliency measures while marketing facilities.

Thomas moved on with an update on Space Command and an update that a solicitation has been sent out for space command sites. This deadline has been extended to the end of summer and the Port will work with Representative Boehnke to promote North Richland as a potential site. Thomas explained that the community as a whole does not meet the minimum requirements set forth by the military, and while we are close to those standards we're also automatically ruled out under the current solicitation. The solicitation has been rescinded and republished now for a third time, which would indicate that the current standards published are not garnering the right location in any case.

Thomas continued with an update on PPE/Manufacturing needs and remarked how he is looking at what employers need to do to make COVID-workable environments. TRIDEC will assist with this project and Thomas will communicate with our Department of Commerce representative.

Thomas continued with a communications update, informing that the Port has entered into a contract with C. Mark Smith and will receive content from Smith for the Research District, Tech News, the campus and PNNL and opportunities for businesses. Communications will be expanded to once-per-month and the Port will be able to measure the success of articles and publications by what people are clicking on.

Executive Director Howard complimented the Marketing & Communications team's effort that has resulted on an increase in readership by over 150%.

Thomas provided an image of what the new website will look like and added that they are working on many updates to the site, including the addition of roster applications to be completed directly from the site that the Port will be able to approve or deny and all new photos and more.

Thomas added that the Port received a great deal from Association of Washington Business (AWB) and has purchased inserts for AWB's fall and winter newsletters, which will be dispersed to twice to over 6,000 businesses at the cost of one ad.

5. MARKETING: Director of Marketing, Wally Williams updated that he has been working with photographer, Ross James Walette on updated Port and Port property photos. In addition, photos were taken of new staff and another time will be organized to take additional shots.

6. REAL ESTATE: Director of Real Estate, Teresa Hancock began with an update that the Governor issued Proclamation 20-19.2, which supports 59-18, the Landlord-Tenant Act. Leases entered into "on or after February 29, 2020," are subject to the Governor's orders; however, pre-existing lease terms require the Port to follow the terms as stated, including stated rent adjustments. Clarity to the RCW with COVID-19 and port regulations has been carefully reviewed through guidance with port counsel and Frank Chmelik to avoid gifting of public funds and assets to avoid an audit finding and navigating with tenants experiencing hardship due to restricted operations. Hancock explained that the Port has received 5 requests for possible deferment or rent relief to date and the Port staff will continue to carefully review these requests and follow proper guidelines.

Hancock informed the commission that staff are in the process of renegotiating a lease renewal with an existing tenant at 2345 Stevens at present. An update will be provided at the next Commission Meeting.

Hancock noted that requests have been received from current tenants for additional outdoor seating, per the State's Phase 1.5 guideline that restaurants can have 50% more outdoor seating. Hancock noted that the Port is following guidelines closely in this matter.

Hancock added an update on the Sunnyside Irrigation Project at the Prosser Airport, noting that the existing infrastructure is outdated and SVID intends to start their capital improvement project by September 1st, along Old Inland Empire Highway (OIE), Steele Road, with a segment crossing a portion of the Airport connecting to Nunn Road. We received a Change in Ownership letter on behalf of Henningsen Cold Storage who has recently merged with Lineage for the ground lease north of the Richland Airport.

Executive Director Howard added that the Port has recently expressed support to the City of Richland for the Willow Point homeowners' concerns about new apartments near 9th St. 9th St. is a private street and not Port-owned, but the desire for a workable solution for all parties was expressed to the city.

7. SPECIAL PROJECTS: Director of Special Projects, John Haakenson, announced that the Port-wide Pavement Maintenance Project is 99% complete and a lot of support has been received from Port staff to complete the project. Haakenson expects to close out this project next month.

Haakenson added that Crow Butte Park has recovered from the May storm and work continues

on the irrigation issues. Good news was received recently and the sewer lines from the home and office were successfully flushed out and the system is now working.

8. FACILITIES & OPERATIONS: Facilities Manager, Ron Branine informed that an HVAC unit was replaced at a Port property on 6/25.

Branine provided an update on the Business Continuity Plan and hopes to have this project complete by the end of the month.

Branine provided photographs of a maintenance vehicle before and after having new safety lights installed. Branine plans to update two smaller trucks with safety beacons next.

Branine added that the 2019 Butler Loop project has been completed mostly in-house and Port staff has painted doors, replaced a counter and an outside contractor will be hired to replace 30-year old carpet. Branine anticipates a savings of \$10k with Port staff performing much of the property upgrades.

9. AIRPORTS: Airport Manager, Joe Walker announced that on July 4th, the Let Freedom Ring Tour stopped for fuel at the Richland Airport during their tour of Washington, Oregon and Idaho. Walker provided photos of some of the vintage planes involved on the tour.

Walker noted that after the FAA delays, the Richland Airport master plan is now on schedule and a priority.

Walker added that out of the 18 letters to tenants that went out last month, 14 have responded. Follow-up letters will be sent out to the remaining four. The airports have far fewer vehicles, boats and trailers stored outside hangars at the airport and Walker appreciates the efforts of the tenants.

I. EXECUTIVE SESSION: The regular Commission Meeting was recessed at 11:11 a.m. and an Executive Session was convened at 11:41 a.m. to discuss potential litigation pursuant to RCW42.30.110(i) and real estate pursuant to RCW 42.30.110. The Commission announced the Executive Session would last no longer than thirty minutes. At 11:41 a.m., the Commission announced they needed an extra forty minutes. The Executive Session was adjourned at 12:21 p.m. and the regular Commission Meeting was reconvened.

A motion was made by Commissioner Keck, seconded by Commissioner Larson and unanimously passed by the Commission approving the Executive Director to move forward with negotiations with the ProDIGIQ contract.

J. ADJOURNMENT: With no further business, the meeting was adjourned at 12:22 p.m.



Roy D. Keck

Commission Secretary