

**PORT OF BENTON
COMMISSION MEETING MINUTES
SEPTEMBER 9, 2020**

ORIGINAL

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 (via remote telecommunications), Commissioner Robert D. Larson (via remote telecommunications), Commissioner Jane F. Hagarty. Executive Director, Diahann Howard, PPM (via remote telecommunications); Director of Economic Development and Government Affairs, Miles Thomas (via remote telecommunications); Administrative Tech, Summers Miya (via remote telecommunications); 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); Dennis Nichols (via remote telecommunications); Tri-Cities Journal of Business, Wendy Culverwell (via remote telecommunications); Historic Downtown Prosser, Jesalyn Cole (via remote telecommunications); Sundance Aviation, Clif Dyer (via remote telecommunications); Consultant Grady Bailey (via remote telecommunications); Prosser Chamber of Commerce, John-Paul Estey (via remote telecommunications); City of Prosser, Tom Glover (via remote telecommunications); Sundance Aviation, Devin Alder (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 'Yes' or 'No' 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: Wally Williams led those present in reciting the Pledge of Allegiance.

C. CONSENT AGENDA:

A motion was made by Commissioner Roy Keck, seconded by Commissioner Robert Larson and unanimously passed by the Commission approving the August 19, 2020 Commission Meeting Minutes, approval of vouchers and certifications, including payroll, for the month of August totaling \$1,219,641.36 and approving Resolution 20-42, to cancel warrant No. 071288 in the amount of \$1,310.00.

D. PUBLIC COMMENT: The public was able to participate via Zoom or telephonic conference and Commissioner Hagarty reviewed the instructions and invited the public to comment.

There were no comments.

E. ITEMS OF BUSINESS:

1. Welcome and Update from Executive Director of the Prosser Chamber of Commerce, John-Paul Estey and Executive Director of the Historic Downtown Prosser Association, Jesalyn Cole.

John-Paul Estey thanked the Commissioners for their time and continued support before moving on to Prosser Chamber of Commerce project updates.

Estey informed the group that he is meeting weekly with the City and pooling resources to assist and support all local businesses. Estey explained that the Chamber's usual focus is tourism, which is not happening at this time due to COVID-19. He explained that the tourism-focus has shifted and the Chamber is gearing their efforts to show support to local businesses. The Chamber has been working with the City to support an outdoor dining push to local restaurants, which has been going well.

Estey noted that the Chamber has pooled contacts with PEDA and HDPA and have been developing a joint newsletter that reaches all combined contacts. The newsletter includes information on loan and grant assistance, as well as updates on current COVID-related restrictions.

Estey has been working on the marketing budget, which is primarily funded through hotel-motel taxes, which has taken a significant hit in 2020 and therefore Estey noted, has been trimmed for 2021. Estey added that he will continue to explore new ways to move forward and is looking forward to working with the Port in the next year.

Director of Economic Development and Government Affairs, Miles Thomas recognized John-Paul Estey and Jesalyn Cole for their innovative and forward-thinking efforts that have led the way in the area of social media throughout the pandemic. Executive Director, Diahann Howard added that their digital marketing has put Prosser in a positive light. Commissioner Hagarty complimented the three Prosser organizations for working together so well and thanked them all for their hard work.

Director of Historic Downtown Prosser, Jesalyn Cole thanked all for the positive feedback and is also grateful for the support and relationship with the other Prosser organizations.

2. Resolution 20-41, Appointing the Finance Director as Port Auditor: Port Counsel, David Billetdeaux discussed the recommendation of appointing the Finance Director as the Port Auditor.

A motion was made by Commissioner Roy Keck, seconded by Commissioner Robert Larson and unanimously passed by the Commission approving Resolution 20-41 and approving the appointment of the Finance Director, Danielle Connor to Port Auditor.

3. Resolution 20-43, Authorizing a Boating Facilities Program Grant from the RCO for the Crow Butte Contact Station: Director of Special Projects, John Haakenson, informed that the goal is to remove the current contact station and build a new contact station and relocate it closer to the park, as well as to existing sewer infrastructure. The new station would have a restroom and pavement repair would also take place around the area. The new station would act as the camp host office and not be open to the public. Executive Director Howard added that the grant requires a resolution, and the grant application is due in November.

A motion was made by Commissioner Roy Keck, seconded by Commissioner Robert Larson and unanimously passed by the Commission approving Resolution 20-43, authorizing a boating facilities program grant from the RCO for the Crow Butte Contact Station.

4. Welcome and Update from Tom Glover, Prosser City Administrator: Tom Glover thanked the group for welcoming him to the Port of Benton and Prosser and is excited to be with the great team he has at the Prosser City Hall.

Commissioner Hagarty welcomed Tom and acknowledged the recent storm that blew through Prosser on Labor Day and the speed in which City workers handled the cleanup was impressive.

Tom agreed that the storm damage was significant and the Prosser Mayor declared an emergency to speed up the access to funds to assist with the cleanup.

Executive Director Howard extended a welcome from the Port of Benton and added that the Port looks forward to working with him.

5. Resolution 20-45, Amending Resolution 20-38, authorizing submittal of an application to the U.S. Economic Development Administration for the North Horn Rapids Sewer Extension: Director of Economic and Government Affairs, Miles Thomas explained that there was a minor change to the original Resolution and asked to update the language to read: "The matching share is committed to the project, will be available as needed and is not or will not be conditioned or encumbered in any way that would preclude its use consistent with the requirements of the Investment Assistance. "

A motion was made by Commissioner Robert Larson, seconded by Commissioner Roy Keck and unanimously passed by the Commission approving Resolution 20-45, which approves the submittal of an application to the U.S. Economic Development Administration for the North Horn Rapids Sewer Extension.

6. Resolution 20-44, Accepting Pavement Maintenance Work Completed by StripeRite for the 2020 Yearly Port-Wide Pavement Maintenance Project: Director of Special Projects, John Haakenson announced that the pavement maintenance work for 2020 has been completed by StripeRite and the total cost was approximately \$261,000.

Commissioner Hagarty complimented the Port on their ability to plan and look forward year after year.

Commissioner Keck also complimented Haakenson and thanked him for a project well-done.

A motion was made by Commissioner Roy Keck, seconded by Commissioner Robert Larson and unanimously passed by the Commission approving Resolution 20-44, which accepts the pavement maintenance work completed by StripeRite for the 2020 yearly Port-wide Pavement Maintenance Project.

F. INFORMATION REPORTS:

1. Grants Update: Executive Director Howard provided an update on the 2019 Rail Grant, informing that the project is substantially completed. All that remains is the contractors are addressing the punch list items.

Howard continued with an update on the recent tie fire, adding that no ties or rail are in need of replacement. The Port is working with HDR to review and complete all derailment related projects. .

Howard noted that the Port is actively applying to CERB and the Port continues to press for the

.09 dollars. A letter was sent to the SAO office and received on 9/8/20.

Port Attorney David Billetdeaux added that additional discussion is taking place regarding the .09 and the letter detailed that the State Auditor's office is incorrect and the funds are eligible to be used in the Port districts for Port assets. Billetdeaux believes the letter will sway the SAO office to do the correct thing.

Howard concluded that the Port is looking to go after \$7-\$9 million in grants in 2021 from various sources.

2. Properties/Projects Update:

a. Walter Clore Center: Executive Director Howard noted that the Port recently met with WSU-TC and discussed growth of their programs in Richland. Also discussed was the potential expansion of programs into Prosser across all industries and the Clore Center was mentioned, as the Clore's mission does not necessarily solely focus on wine. It was advised that the work the Clore board has done around developing events and Deb Carter's work over this year has been great, any details beyond that would need to be worked out between WSU-TC and the Clore Center if there was interest, as the Port was only there to represent the Clore as a port owned facility/asset to ensure it was being fully utilized to fill the intention of the grant obligations to EDA. WSU-TC wanted to discuss internally and then will contact the Port or Deb directly.

Howard added that a notice was recently received from the Clore Center that they were closing down their tasting room and restaurant. The Port recently installed security cameras to ensure the asset is protected and will also be upgrading the parking lot lighting at the Clore making it more energy efficient.

b. Richland Business Center: Executive Director Howard informed that there are two contracts with HDR for 2020, which are for railroad engineering and miscellaneous services. The \$25,000 miscellaneous contract has been diminished for 2020, as the derailment took up any remaining funds within the contract. Howard added that the Port will also bring in URX and Holland to ultrasound the track and HDR will review. Howard requested an additional \$25,000 for the 2020 miscellaneous services contract with HDR.

Howard added that she is hopeful that the Port will be reimbursed for some of the cost to the Port regarding the derailment.

A motion was made by Commissioner Roy Keck, seconded by Commissioner Robert Larson and unanimously passed by the Commission authorizing an additional \$25,000 to the HDR Miscellaneous Services contract for 2020.

Director of Special Projects John Haakenson and Facilities Manager, Ron Branine informed the Commission of a roof leak at the 2379 building, which the TCRY is the main tenant of the building. A vent has been leaking and causing a roof leak in the bay. Haakenson and Branine have been working with Jason Archibald on a repair estimate and estimates damage repair to be approximately \$130,000. The Port plans to use the Small Works Roster/prevailing wage to handle this project.

Port Attorney, David Billetdeaux added that the Port, as landlord, is liable for roof repair.

Executive Director Howard explained that because of the severity of the issue, the Port needs to act fast on the repairs and asked for a motion to approve up to \$130,000 for roof repair of the 2379 building.

A motion was made by Commissioner Roy Keck, seconded by Commissioner Robert Larson and unanimously passed by the Commission authorizing the Port of Benton to move forward with roof repair of the 2379 building at up to \$130,000.

Airport Manager, Joe Walker, updated the group on the pavement issues at the Richland Airport, noting that there are approximately 340 feet of cracking in need of repair. Maintenance employee, Dan Davis, met with StripeRite earlier this morning and they are actively working on a solution to the repair.

c. Disaster Recovery Plan: Facilities Manager, Ron Branine introduced the Site Incident Management Team (SIMT) Plan, highlighting the team roles and responsibilities, activation criteria and methods to ensure efficient and consistent management of emergency events affecting the Port of Benton.

Branine explained that the SIMT applies to all Port of Benton facilities, critical personnel, operations, and associated systems and provides the detailed planning and tasks required for maximizing coordination activities and preparedness during disaster events.

Branine added that the purpose of the plan includes:

- Management of events impacting POB sites
- Assemble teams for unanticipated and anticipated events that fall outside normal business and usual processes
- Assemble critical management to respond and assess impact, in an evacuation
- Communicate with sites, Commissioners, media and public on event details
- Oversee site restoration activities

Branine continued with a thorough explanation of the SIMT plan and also informed that he has submitted an application to Infraguard, which adds another level of security to better ensure Port facilities.

Executive Director Howard complimented Branine on the work he has done thus far on the SIMT plan, as it is a critical piece that the Port needed.

Branine added that an electronic copy will be provided to the Commission upon review and completion.

d. Integration Software Project: Director of Finance, Danielle Connor provided a PowerPoint with an update on the Integrated Application Project (IAP). Connor highlighted that the mission and vision of the IAP includes:

- Understand tenant needs
 - cost by property/facility
- Improve Port resource utilization
 - focus on revenue generating properties and activities
- Capture and utilize data to make strategic decisions
 - property improvements, acquisitions and/or sales

Connor continued that the model to implement the programs includes: Sage Intacct (financial statements, bank reconciliations, a/p and a/r), Criterion (time and attendance, payroll, HR, self-service), Accruent famis (work orders), Accruent Lucernex (lease management), ArcGIS (GIS

mapping) and Asset Keeper Pro (fixed asset schedule/depreciation).

Connor added that Zoho, a cloud-based project management software, will be used to track tasks and milestones, view resource needs and scheduling and monitor progress. The Zoho software is provided by DSD. The POB and DSD project managers will have access to the project management software.

Connor highlighted that the Port plan includes:

- Define
- Build
- Model
- Deploy
- Ongoing Training

Connor concluded with the plan for the timeline and hope to have all implemented by December.

G. COMMISSIONER REPORTS/COMMENTS:

Commissioner Larson acknowledged recent updates from the Benton-Franklin Council of Governments regarding cancellation of meetings for the remainder of 2020. He also advised the Stephaine Seamans, Executive Director recently resigned.

Commissioner Larson also wanted to extend his appreciation to Miles Thomas for his recent work and support!

Commissioner Keck informed the group that he is serving on a working group of WPPA for Carbon Policy and Transportation and their committee plans to make a recommendation later this month about carbon tax and the carbon link with transportation to the WPPA Legislative committee with final action taken to the full membership at the annual meeting.

Commissioner Keck added that after the COVID-19 crisis, the State of Washington will be \$9-11 billion in debt, which will impact all. Commissioner Keck noted that he believes that the group can go forward with a carbon tax and transportation recommendation to the State. The request is that funds will then go back to contribute to businesses in the transportation and utility sector. Commissioner Keck concluded that the working group will continue to push forward to influence lobbyists and there are many meetings ahead to prepare.

Commissioner Hagarty updated that she has continued to attend the PEDAs board meetings through WebEx, who is working with the hospital regarding a USDA grant they have applied for a utility and broadband infrastructure crossing the highway to their future location. Commissioner Hagarty added that they have been working for several years to get a Cascade Natural Gas connection across the road because the hospital needs gas as well.

Executive Director Howard added that the Port has recently connected Neal Ripplinger with PEDAs to the right contact at Cascade Natural Gas.

Commissioner Hagarty continued with an update on the Broadband Committee, which is working on getting back together and get organized, as many areas of Prosser still have no access to broadband.

Commissioner Hagarty added that the new grocery store has opened and she is looking forward to having two stores in Prosser to serve the residents and visitors to the community. Commissioner

Hagarty offered kudos to PEDA and their recruitment team for their work to bring the new grocery store to Prosser.

Commissioner Hagarty concluded that she continues to attend the Clore board meetings and they are honing in on their financials. Hagarty added that the Clore entered into the COVID-19 pandemic financially unsound and the pandemic has made a tremendous impact onto the business.

H: DIRECTOR REPORTS/COMMENTS

1. EXECUTIVE DIRECTOR: Executive Director Howard informed that the Port has provided a letter of support to the City of Richland regarding their application for Center Parkway Crossing to Benton County .09 funds.

Howard added that she recently attended and presented at the FUSE Launch Pitch night. Howard also complimented Port Attorney, David Billetdeaux and Senior Accountant, Veronica Serna on their recent records training session with the Port team.

Howard added that all internal budget meetings have taken place and she has been working on the EDA and CERB grants, along with the Tri-Cities Area Journal of Business focus article with Miles Thomas. Additionally, Howard added that she has been performing work for the EMAB subcommittee and the recent ECA update on Congress.

2. PORT ATTORNEY:

Port Attorney, David Billetdeaux informed that he has been continuing work on the Port of Benton policy for salaries and benefits and hopes to have Maul Foster Alongi (MFA) review soon. Once MFA has reviewed, Billetdeaux plans to provide to the Commissioners in October for review.

Billetdeaux updated the Commission on the recent filing to evict TCRY. At this time, the Port has filed an unlawful detainer/eviction action in Benton County Superior Court. Billetdeaux explained that because of COVID-19, the case schedule is not normal and there are no dates set at this time.

3. FINANCE DIRECTOR: Director of Finance, Danielle Connor announced that the proposed budget schedule has been compiled with consideration of: RCW 53.35.045 allowing Ports to schedule alternate dates in the budget process, as well as RCW 84.52.020 requiring Ports to file with county commissioners by the 30th of November. The Special Meeting – Budget Workshop is scheduled for 10/27/20. The resolution to adopt the 2021 budget and tax levy will be proposed at the 11/17/20 Commission Meeting.

Connor asked for a motion to approve the proposed budget dates.

A motion was made by Commissioner Roy Keck, seconded by Commissioner Robert Larson and unanimously passed by the Commission approving the proposed budget meeting dates.

Connor continued with an update on the year to date budget, noting that as of 8/31/20, cash balance was approximately \$2.4 million, including reserve and restricted funds of \$1.3 million.

Connor also provided an update on Accounts Receivables noting that as of 8/31/20, approximately 20%, or \$68k, of tenant AR is greater than 90 days past due. Connor explained that the majority due is from one tenant. Teresa Hancock had been working with the tenant for payment and payment was received last week.

Connor provided an unaudited year to date budget report as of 8/31/20, noting that the budget has been annualized for purposes of comparability against 8/31/20 results. A simple straight-line method was used, 8 months divided by 12 months, with no reflection of seasonality.

Connor noted that cash showing at \$2.4M is preliminary as of 8/31/20. Connor pointed out that the Port has received the August reports from Benton County Treasurer and are in the process of performing the reconciliation.

Connor noted a few of the highlights of the report:

Revenues:

- Lease revenues are 25% over budget and consistent with trend to date.
 - This is partially from timing, and largely attributed to the port's ongoing initiative of step up in lease adjustments and Teresa Hancock's continued hard work and diligence.
- Tax revenues are 75% under budget.
 - This is primarily attributed to classification. There is \$2.1M of deferred revenue on the balance sheet that needs to be amortized for March-August 2020. There is also a \$1M dollar tax receivable sitting on the balance sheet that represents the 2nd half property tax payments distributions; payment is expected to be received in October.
- Grant income is 81% under budget and is consistent with trend to date.
 - This is primarily attributed to the deferral of the \$1.2M of .09 funding which is estimated to push to 2021.

Total Available Funds are currently sitting at 8% under budget.

Expenditures:

- The Port is ahead by 35% or \$793K for operations and maintenance expense, which is consistent with trend to date.
 - This is attributed to the continued conservative spending, partially reflective of the delay in the .09 funding.
- In Total Anticipated Expenditures, including the unanticipated COVID-19 expenses, the Port is 20% ahead of budget.

Overall, the Port is currently ahead in total available funds less expenditures by 8%.

Connor concluded that per the 2018 Audit Exit Interview from the SOA, the 2019 audit is scheduled in conjunction with 2020 and will take place in August 2021.

4. ECONOMIC DEVELOPMENT & GOVERNMENT AFFAIRS: Director of Economic and Government Affairs, Miles Thomas announced that he has continued work on the EDA and CERB grants. Thomas also noted that the Port plans to send out a press release announcing the new website but is waiting until the automated form emails are coming through correctly. Thomas is pleased with the overall function of the website, as well as it being easier to navigate.

Thomas highlighted that an electronic newsletter will be going out, as a flipbook.

Thomas noted that work continues with Maul Foster Alongi (MFA) and he hopes that by the end of September, the strategic plan will be complete. The Port has recently added a few components to the plan that include the Richland waterfront (TBC) and Vintner's Village.

Thomas reviewed the three main components of the strategic plan, which include the comprehensive scheme and an annual action plan, which the Port has the most input on and staff continues to update.

Thomas added that he has been in conversation with WSU-TC for a quarterly update and is reviewing several past strategies with WSU professors to recruit businesses in the hospitality/wine/distillery/brewery industry to North Richland. Thomas noted that he has recently spoken to one brewer interested in moving operations to North Richland.

5. MARKETING: Director of Marketing, Wally Williams provided an update on the ongoing newsletter, noting he hopes and plans to send out via hardcopy and digital on 10/01/20. Williams added that the new format is a flipbook style.

Williams added that he is working on the Washington Tasting Room ad, which will be a new horizontal look located next to Prosser Chamber and other partners.

Williams continued that he is helping with the Entrepreneurial Awards for November, which will be held using Zoom.

6. REAL ESTATE: Director of Real Estate, Teresa Hancock welcomed the Port's newest tenant, Wave7, which was founded by David McKay. McKay has 25-years' experience developing or delivering software and hardware that provides information from manufacturing, IT or machines to humans. Wave7 is a performance improvement service method and app intended for packaging machines and lines within the manufacturing sector. Wave7 is a solution with converting aggregated data to actionable information in a cloud-based services. McKay plans to use the space for: administrative, video production, computerized engineering services and testing for customer and product marketing to serve this industry.

Hancock continued with an update on leasing and sales, noting that she continues to work with tenants and prospective sale opportunities. Hancock expects that the draft appraisal for the sale of Benton City properties will be finalized this week and interest has been received for sale or lease of the various properties and Hancock will provide an update at the next meeting.

Hancock added that she is excited for the direction the Port is undertaking in automation and integration and thanked all those involved in the ISP project.

7. SPECIAL PROJECTS: Director of Special Projects, John Haakenson covered all Special Project updates earlier in the meeting.

8. FACILITIES: Facilities Manager, Ron Branine announced that he has been creating firearm procedures, bomb threat and an active shooter plan. In addition, Branine has been prepping for snow removal, noting that he plans to meet with his team to develop the plan.

Branine added that he traveled to Prosser on Labor Day during the storm because he noticed that the cameras were out of order. Video of the storm was shown and Branine commended the City of Prosser for their preparation and reaction to the weather.

9. AIRPORTS: Airport Manager, Joe Walker continued with an update from the storm noting that the Prosser Airport sustained damage and maintenance staff was able to repair and handle most of the damage. Two trees at the entrance were knocked down and roof shingles were damaged on multiple buildings.

Walker continued with a heads up to John-Paul Estey, that the Port would like to work with the Prosser Chamber of Commerce to share some vacant unused space in the building being used for float storage. Walker explained that currently, airport equipment is stored in 111 building that is scheduled

for demolition and they would like to use the area near the back rollup door and one of the office spaces. Walker added that he feels the Port can share the space without a large impact to the Chamber.

Walker continued that he will be reviewing Richland Airport master plan alternatives, which will provide the most input on the future development of the airport. Walker provided information that the next master plan Tac meeting will be in mid-October.

I. EXECUTIVE SESSION: The regular Commission Meeting was recessed at 11:15 a.m. and an Executive Session was convened at 11:30 a.m. to discuss potential litigation pursuant to RCW 42.30.110(i). The Commission announced the Executive Session would last no longer than 30 minutes. At 12:00, the Commission announced an additional 20 minutes was required. The Executive Session was adjourned at 12:20 p.m. and the regular Commission Meeting was reconvened.

After reconvening the regular meeting, the Commission waited for five (5) minutes for any remote attendance participants to reconnect to the meeting. None did.

J. ADJOURNMENT: With no further business, the meeting was adjourned at 12:25 p.m.



Roy D. Keck
Commission Secretary