

**PORT OF BENTON  
COMMISSION MEETING MINUTES  
DECEMBER 14, 2021**

**A. CALL TO ORDER:** The regular monthly meeting was called to order at 8:33 a.m. at the Port of Benton Commission Meeting Room, 3250 Port of Benton Boulevard, Richland, Washington.

**PRESENT:** Commissioner Jane F. Hagarty; Commissioner Roy D. Keck; Commissioner Christy L. Rasmussen; Executive Director, Diahann Howard, PPM®; Executive Administrator, Summers Miya; Robert Larson, Community Member; Commissioner Elect Lori Stevens; Community Members Josh Fernald, Kellie Gilles, Dylan Fernald, Jameson Fernald, Judy Burke, Lindsey Peonio, Hailee Challender  
**The following attendees attended via remote communications:** Port Attorney, David Billetdeaux; Director of Finance/CPA, Danielle Connor; Director of Real Estate, Teresa Hancock; Director of Marketing, Wally Williams; Contract Specialist, Sheri Collins; Director of Facilities & Operations, Ron Branine; Facilities Manager, Joe Pisca; Roger Wright, RGW Enterprises; Ben Hoppe, JUB Engineering; Gareth Nisbett, Community Member; Wendy Culverwell, Tri-Cities Area Journal of Business; Dennis Nichols

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.

**B. PLEDGE OF ALLEGIANCE:** Commissioner Jane Hagarty led those present in reciting the Pledge of Allegiance.

**C. OATH OF OFFICE:**

Port Attorney, David Billetdeaux stood and presented Commissioner-appointee, Christy Rasmussen for the Oath of Office for District 2.

The following oath was given and taken by Christy L. Rasmussen:

I, Christy L. Rasmussen, do solemnly swear that I will support the Constitution of the United States and the Constitution and laws of the State of Washington, and that I will faithfully and impartially perform and discharge the duties of the office of the Port of Benton Commissioner, District 2, Benton County, State of Washington, according to law, to the best of my ability.

Commissioner Christy L. Rasmussen was subscribed and sworn-in on December 14, 2021, with Sheri Collins, a Notary Public in and for the State of Washington, residing in the City of Richland, notarizing the Oath of Office.

Notary, Sheri Collins notarized the document.

#### **D. CONSENT AGENDA:**

A motion was made by Commissioner Roy Keck, seconded by Commissioner Jane Hagarty, (with Commissioner Christy Rasmussen abstaining), and unanimously passed by the Commission approving the November 10, 2021 Commission Meeting Minutes, November 22, 2021 Special Commission Meeting Minutes and approval of vouchers and certifications, including payroll, for the month of November totaling \$1,112,173.75, approval of project vouchers and certifications for the months of September – November totaling \$1,154.02 and Resolution 21-57, to cancel warrant numbers 078976 – 078021, which were not printed, due to printing error.

Commissioner Roy Keck held the meeting minutes from the November 29, 2021 Special Commission Meeting to make the correction under Item 5, which incorrectly listed the term dates for District 2's term as 1/1/23 – 12/31/28. The correct dates for District 2's next regular term are 1/1/24 – 12/31/29, which were noted on the minutes before signing.

A motion was made by Commissioner Roy Keck, seconded by Commissioner Jane Hagarty, (with Commissioner Christy Rasmussen abstaining), and unanimously passed by the Commission approving the Special Commission Meeting minutes from 11/29/2021 with the amendments to dates.

#### **E. PUBLIC HEARING:**

##### **1. Resolution 21-54, A Resolution of the Commission of the Port of Benton Adopting the Port's 2022 Comprehensive Scheme of Harbor Improvements**

The regular Commission Meeting was recessed at 8:46 a.m. and Public Hearing was convened by Commissioner Hagarty for the purpose of adoption of the 2022 Comprehensive Scheme of Harbor Improvements. (Comp Plan)

Executive Director, Diahann Howard stated that the Comp Plan complements the Port strategic plan, capital plan and budget per RCW. Howard added that no changes have been made to the Comp Plan since it was provided to the Commission at a November meeting.

Howard clarified that any land sales or business transfers are identified in the Comp Plan and if a situation arises when a sale or transfer opportunity arises that is not noted in the Comp Plan, the appropriate public notice and process is followed.

Commissioner Hagarty noted that there were no comments from the public and closed the public hearing at 8:49 a.m.

A motion was made by Commissioner Roy Keck, seconded by Commissioner Christy Rasmussen and unanimously passed by the Commission approving Resolution 21-54 and adopting the 2022 Port Comprehensive Scheme of Harbor Improvements.

#### **F. PUBLIC COMMENT:**

There were no comments from the public.

## **G. ITEMS OF BUSINESS**

### **1. Resolution 21-56, Acceptance of CARB Loan – Richland Airport**

Port Engineer, Roger Wright provided a screen share, as well as background on current Richland Airport projects, including the Master Plan.

Wright stated that as part of the Master Plan, the consultant identified that the Richland Airport will need additional ramp (tie down) space to accommodate future growth, including larger aircraft. Wright added that the consultant identified the best location for this future tie down as an area adjacent to Runway 01. Wright explained that there are currently seven aircraft structures in this area including the first hangars built at the Richland Airport after the Port took over. Wright added that these buildings house 40 aircraft and all of them have different lease terms from 7 – 45 years and to be in a position to expand the ramp into this area within 20 years, the Port needs to make plans on how to address relocation of these hangars. Wright stated that one option would be for the Port to purchase the buildings allowing the current private owners to protect their investment. This would allow the Port to recover the building costs through rents over the next 10-15 years. This would allow the Port to control the hangars and when this land is needed to be transferred to ramp area. This option will ensure continued building maintenance, private owners protecting their investments and the Port would have control of the schedule of any hangar relocation.

Wright explained that the WSDOT Aviation Division has potential funding available for the express purpose of airports acquiring revenue-generating assets/buildings with the Community Aviation Revitalization Board (CARB) funds available for 2% up to \$750k. Wright stated that the Port applied for these funds in September and was successful in being awarded \$750k. Wright noted that the low interest loan comes with the first three years of payment deferred, which gives the Port ample time to generate funds from rent revenues to pay for any expenses or cover short term vacancies. Wright added that the intended hangars purchased will cash flow from the start with building loans being recovered in 12-15 years, which allows the Port to generate additional funds for the airport until the time is necessary to relocate the hangars. Wright added that at that time, the Port can choose to construct new hangars or allow the private sector to fund new hangars.

Wright stated that at this time, the Port needs to confirm the terms of the CARB loan, adding that over the next 12 months, the Port will attempt to enter into Purchase and Sale Agreements (following appraisals) for the purchase of approximately \$800k worth of hangars (\$750k from WSDOT and \$50k match for Port Airport funds.) Wright added that while CARB loan funds must be approved at this meeting, the Port is not obligated to take the funds until hangars are purchased and only needs to assume the portion of the \$750k necessary to purchase the hangars. Wright added that based on recent comparable sales, the Port estimates that we can purchase up to 20 (of 40) hangar spaces with these funds.

**A motion was made by Commissioner Roy Keck, seconded by Commissioner Christy Rasmussen and unanimously passed by the Commission approving Resolution 21-56, and accepting the CARB loan for the Richland Airport.**

### **2. 2022 Architect, Engineer and Professional Roster**

Port Attorney, David Billetdeaux reminded the Commission that per RCW 39.80, the Port is able to add selected architects, engineers and other professional services to a roster per an in-house rating

system.

Billetdeaux stated that multiple consultants were reviewed, and a list was comprised of the most qualified options. Billetdeaux stated that the 2022 list is incredibly extensive and has a strong pool of options to pull from when needed.

**A motion was made by Commissioner Christy Rasmussen, seconded by Commissioner Roy Keck and unanimously passed by the Commission, approving the 2022 Architect, Engineer and Professional Roster**

### **3. Approval of 2021 Contract Amendment for RGW Enterprises and Approval of 2022 Contract**

Executive Director, Diahann Howard stated that Roger Wright, of RGW Enterprises is a tremendous asset to the Port and has stepped up in 2021 to support projects involving airports and rail in addition to the many other projects Wright assists with all year long. Howard explained that the Port has been short an Airport Director in 2021 and has also had the Fermi project and more rail projects than anticipated, which requires more work put on RGW Enterprises.

Howard explained that the Port would like to amend the 2021 contract for RGW Enterprises by adding \$15k to the existing contract of \$140k, bringing the total contract for 2021 to \$155k.

Howard added that the Port would also like to approve the 2022 contract for RGW Enterprises at this time to ensure that nothing is slowed down at the turn of the new year. Howard stated that the 2022 contract for RGW would not change and requested approval of \$140k for 2022, which is in-line with the 2022 budget and slated projects.

**A motion was made by Commissioner Roy Keck, seconded by Commissioner Christy Rasmussen and unanimously passed by the Commission, approving the 2021 contract amendment of \$15k, total of \$155k for RGW Enterprises, and approval of the 2022 contract of \$140k for RGW Enterprises.**

### **4. Performance Review of Executive Director**

Port Attorney, David Billetdeaux clarified that historically, the performance review of the Executive Director has been held during Executive Session, but the preference of the state Auditor is for public reviews since the Executive Director is directly appointed by the Commission. Billetdeaux added that this would be the time to set goals for the new year or make any changes to the current contract.

Billetdeaux stated that Executive Director Diahann Howard would have the ability to provide her own review summary of 2021 at this time.

Executive Director, Diahann Howard provided a summary of the goals created for 2021:

1. Increase the growth and economic sustainability of the Port – become a regional and global influencer;
2. Reinforce our commitment to customers, stakeholders, tenants and to each other by operating more effectively and efficiently;
3. Affirm our commitment to each other, as representatives of the Port, and as a cohesive team

Howard stated that it is the mission of the Port of Benton to manage public assets and make strategic investments to be a catalyst for regional economic growth and prosperity. Howard stated the Port's core values are to drive results, deliver excellence, work as one team and act with integrity,

adding that the Port team has a strong desire to leave a positive legacy, as public service is a public trust. Howard thanked each team member for their commitment and service to the Port.

Howard added that the Port is in good alignment towards executing these objectives and stated that a written update was provided to them, including the 2021 Annual Work Plan that reflects the team's progress and evolution over the last year.

Howard recapped the 2021 goals for the Executive Director per the Port Strategic Plan:

1. Short-increasing net revenues, cleanup of facilities, communications/branding, development of economic development targets, assessment and master planning of undeveloped land to support recruitment.
2. Mid-range – Sail Park – All infrastructure and funding to catch-up.
3. Long-range – Crow Butte
4. Increase workforce training, allow time for volunteering to continue to develop a positive work environment

Howard provided highlights of 2021:

1. Projects – Integration of accounting systems with Real Estate system in-process, refinancing of debt to record low rates, increased level of digital communications and websites for Port of Benton, Tri-Cities Research District, Discover Richland and landing pages of Vintners Village and Washington VERTical are all active. Crow Butte has an updated reservation system that will drive further efficiencies in 2022.
2. Grants – Richland Airport: \$3.45M; Prosser Airport: \$600k; ICAP: \$400k; Richland CARB loan; Railroad FRIB: \$250k; EDA Phase 1, now March 2022 potential of up to \$15M.
3. Economic Development/Partnerships – Tours with key stakeholders took place, inquiries continued some resulting in sale of facilities or open land, three transactions remain pending as the Port moves into 2022, lease revenues goal was to hold at 90%, which was held even with some loss of tenants due to result of COVID and/or government contracting and lease revenues currently sits at 92.88%. Final stages towards a stronger lease structure and consistency of rate reviews are being realized. Asset inventory system better understood and was built into capital budget for future years of planning.
4. Work on airport master plan for Richland complete and projects at both airports. Rail planning in partnership with Richland and again many projects moving forward with grant, loan and Port dollars.
5. Balloon Rally, Cool Desert Nights, United Way Festival of Trees reflect the Port's commitment to broad community involvement, including sponsoring the Eastern Washington University Eastern Edge event, which supports the Hispanic workforce forum. These efforts are in alignment with the Port's work with WSU Tri-Cities at Clore small business curriculum, CBC and other partners such as Washington VERTical to drive clean energy and grow local businesses, coordinated efforts with Economic Development partners to bring in more Small Business Development (SBDC) presence for the Tri-Cities region. Discussions have started with the Port of Pasco, BFCOG and CBC on valued added ag needs in addition to being appointed to the State Low Carbon Advisory Board to further support initiatives and reappointment to US EMAB.



6. The facility to support the Hanford History Project has begun and the Port continues to seek dollars to leverage the Port's investment and open space to Manhattan National Park, who has space needs, as well as serve the USS Triton.
7. One-on-one meetings held with each Port team member to gather feedback, that resulted in adjustments to meeting days and times to ensure everyone is at the table and hybrid meetings have also been more prominent. Increased training internally and online has occurred to continue to develop a positive work environment.
8. The cleanup has provided a great deal of detail and background and the Port will continue to identify issues and opportunities for further improvement. The Port will continue to hold ourselves to private business standards along with best practices within government contracting and Ports.

Howard thanked the Commission for the honor to lead the Port of Benton team.

Commissioner Keck thanked Howard for her caring ownership of the Port of Benton, as it needed a caring touch to lead and continue to develop relationships with stakeholders, community and other partners. Commissioner Keck stated that the Port is now in an optimal position as far as clean energy goes and will continue to be a leader in the district, region, state and nation for years to come. Commissioner Keck thanked Howard for her dedication to the Port of Benton.

Commissioner Rasmussen noted that it is evident that the leadership is strong and from reading the strategic plan and workplan, the goals and outline are very clear.

Commissioner Hagarty added that there is more grant money than ever before and many with no match requirements from the Port and also commented on the number of leases the Port has, which is equivalent to Seattle/Tacoma. Commissioner Hagarty thanked Howard for everything she has done and continues to do for the Port.

#### **5. Proclamation 21-04, Honoring Jane F. Hagarty**

Executive Director Diahann Howard announced that today is bittersweet, as we recognize two long standing Port Commissioners, Jane Hagarty and Robert Larson, stating that both have provided leadership not only to the Port of Benton, but across the network of state and Pacific Northwest ports for over two decades.

Howard added that they have worked with their fellow Commissioners, including three executive directors over the course of their tenure, and have continued to transition and grow the Port to fully reflect and engage in economic development interest of the region and community.

Howard added that she has had the pleasure of working with them both for the past 15 years, specifically around the Port's legislative initiatives and requests. Howard stated that she will not be saying goodbye, only see you later, because she knows both their efforts and their presence will continue throughout the community.

Howard thanked them both for their kindness, support and some really fun stories, but mostly for their hearts of service to and for the Port of Benton.

Howard asked Commissioner Jane F. Hagarty to come forward and read Proclamation 21-04:

**PORT OF BENTON  
OFFICIAL PROCLAMATION - 21-04  
HONORING  
COMMISSIONER JANE F. HAGARTY**

WHEREAS, Mrs. Jane F Hagarty took on the role of Commissioner for District 3 via appointment of the Port Commission starting in 1996; she was re-elected in 1997, 2003, 2009, 2015 and served until 2021;

WHEREAS, Commissioner Hagarty served to support the system of ports and our working rivers via Pacific Northwest Waterways Association, at state level via Washington Public Port Association executive committee and board, regionally as part of the Walter Clore Wine and Culinary Center board and Visit Tri-Cities board along with port economic development partnerships with Benton County, Prosser Economic Development Association, Prosser Chamber and Prosser Historic Downtown along with Port tenants and community;

WHEREAS, Commissioner Hagarty has faithfully and diligently performed her duties as Port of Benton Commissioner for District 3 with the development of Vintners Village, Chukar Cherries at the Prosser Airport along with the Walter Clore Wine and Culinary Center;

WHEREAS, Commissioner Hagarty has supported and provided leadership of the Port of Benton's Vision and Mission and worked diligently alongside her Port team and her fellow elected officials for the good of the public. Commissioner Hagarty will be remembered for her many accomplishments as well as her ability to provide strong community economic development focused partnerships.

NOW THEREFORE, BE IT PROCLAIMED that the Port of Benton Commission and staff express their sincere and whole-hearted appreciation to Mrs. Jane F. Hagarty for her commitment to the Port of Benton, years of service and for her contributions while serving as Commissioner for over twenty-five years of service to the Port of Benton.

**6. Proclamation 21-03, Honoring Robert D. Larson**

Executive Director Diahann Howard asked Robert D. Larson to come forward and read Proclamation 21-03:

**PORT OF BENTON  
OFFICIAL PROCLAMATION - 21-03  
HONORING  
COMMISSIONER ROBERT D. LARSON**

WHEREAS, Mr. Robert D. Larson took on the role of Commissioner for District 2 starting on 1994; he was reelected in 2000, 2006, 2012 and 2018 and served until retiring November of 2021;

WHEREAS, Commissioner Larson served to support the system of ports and our working rivers via Pacific Northwest Waterways Association, and Association of Pacific Ports executive committee and board, at

state level Washington Public Ports Association, regionally as part of Hanford Communities, Manhattan National Park Committee, Benton Franklin Council of Governments, Good Roads and economic development partnerships with Benton County, City of Richland, TRIDEC, local chambers and Richland Rotary Club, Port tenants and community;

WHEREAS, Commissioner Larson has faithfully and diligently performed his duties as Port of Benton Commissioner for District 2 with the transfer of federal properties and the siting of the USS Triton Submarine Sail Park in north Richland.

WHEREAS, Commissioner Larson has supported and provided leadership of the Port of Benton's Vision and Mission and worked with the port team and his fellow elected officials for the good of the public. Commissioner Larson will be remembered for his many accomplishments as well as his ability to dream big to achieve economic development for the benefit of the Tri-Cities region.

NOW THEREFORE, BE IT PROCLAIMED that the Port of Benton Commission and staff express their sincere and whole-hearted appreciation to Mr. Robert D. Larson for his commitment to the Port of Benton, years of service and for his contributions while serving as Commissioner for over twenty-seven years of service to the Port of Benton.

#### **H. INFORMATION REPORTS:**

##### **1. Grants Update:**

Engineer Roger Wright provided an update on the Fermi Avenue project in the Richland Innovation Center (RIC), which is funded with Benton County .09 funds. Wright stated that construction is essentially complete, but we are still waiting to energize the lighting system, but with the supply chain issues, it will likely be another four months before electrical transformers are available for this system.

Wright continued, stating that phase II of the Fermi project includes the remaining sidewalk, street light and fiber extension work that is under design and is planned to be completed in early 2022. Wright added that Anderson Perry has a preliminary application meeting with the City of Richland later this week.

Wright provided an update on the Hanford History Project, stating that Architects West is well underway with the design of the building and added that this 7,500 square foot building needs to be ready to occupy by September 2022 to accept the artifacts.

Wright provided an update on items 4 & 5 on the grants report document, regarding the Richland Airport Airfield Signage and Lights (phase 1), stating that the design work is 90% complete.

Wright stated that the Port's consultant continues to proceed with the design of the lighting replacement and the intent is to advertise for bids in February 2022. Wright added that the Port has already begun public notification of airport users concerning the planned runway closures during the project.

Wright stated that there will be a period of two weeks when both runways will be totally closed, which will force a shutdown to Life Flight operations. Wright stated that he is looking into options for Life Flight, including possibly moving them to Prosser airport during the shutdown period.

Wright added that the plan is to over-communicate information on this project and work to do everything possible to shorten the closure.

Wright stated that the Prosser Taxilane project is complete and is making requests for final reimbursements from the FAA. Wright added that he is working up potential hangar sites for Prosser



once the Airport Development Standards and lease rates are established.

Wright stated that fiber has been run to and is in operation at the Prosser Police Station and the 111 Nunn pilot's lounge.

Executive Director Diahann Howard stated that item 7 on the grants report regarding Bureau of Land Management infrastructure funds at Crow Butte Park may be removed, as there has been zero communication since applying for this grant.

Howard stated that regarding the 2022 FRIB application, there is up to \$250k available with a 1% interest and the Port has submitted for this low interest loan and all indications are good that the Port will be successful, which will defer some of the budgeted expenses for 2022.

## **2. Port of Benton Economic Development Corporation Audit Report – 2019-2020**

Director of Finance/CPA, Danielle Connor announced that the State Auditor's Office has completed their assessment audit of the Port of Benton Economic Development Corporation (EDC) for 2019 and 2020, which was a limited-scope audit. Connor added that a copy of the audit report was provided in the packet today and is also publicly available through the SAO website.

Connor stated that the Port EDC is a separate legally entity, separate EIN, and therefore requires separate reporting and auditing.

Connor added that the Port received an exit letter from the SAO, recognizing no activity and timely filling with no additional concerns.

## **I. COMMISSIONER REPORTS/COMMENTS:**

Commissioner Keck stated that the WPPA update on upcoming legislative policies was disappointing, as were the AAPA committee meetings at the recent conference in San Diego. Commissioner Keck stated that there was a lot of focus on the supply chain deficiency at the AAPA event, as many are trying to understand that the impacts of policies are causing the supply chain, carbon and climate issues.

Commissioner Keck added that the future electric vehicles? will require backup and support, which will situate the Port of Benton in a positive support role, as the Port will have the opportunity to support companies in development that provide base load resources.

Commissioner Rasmussen stated that in her 15 days as a Port Commissioner, she has been involved in quite a bit, including the WPPA Annual Meeting with new Commissioner training. Commissioner Rasmussen commented on the very interesting economic presentation on how ports drive economic development and also participated in discussions around the next legislative session.

Commissioner Rasmussen added that she also recently participated in the Coffee with Karl episode featuring Energy Northwest CEO, Bob Schuetz which she felt was enlightening and encouraging.

Commissioner Hagarty stated that she also attended the AAPA Annual Meeting and agreed with Commissioner Keck's sentiments as well as his comments on the Port being in a good position at this time to offer support and also find a way to promote clean energy.

Commissioner Hagarty added that it is very important for the Port to get the word out on a new generation of nuclear energy and educate appropriately.

Commissioner Hagarty announced that the PEDAs officers remained and also added three new members.

Commissioner Hagarty will be attending the Prosser Chamber on Thursday morning, as well as executive board next Monday and will provide notes to Executive Director, Diahann Howard.

Commissioner Hagarty added that she agrees that the Coffee with Karl subject matter keeps getting better and is a great way to share in such an informal way.

Executive Director, Diahann Howard added that the Port team is working towards a common language regarding nuclear and understands that nuclear is not a solve-all, but will work well integrating with other systems. Howard added that there is a lot of opportunity ahead and a united effort with TRIDEC, PNNL, Energy Northwest will be on the forefront.

#### **J. DIRECTOR REPORTS/COMMENTS:**

##### **1. AIRPORTS:**

Director of Facilities & Operations, Ron Branine announced that both airports are operating on autopilot and there have been great strides with the united cleanup effort. Branine added that a few new reader boards to announce projects, have been ordered. Branine stated that the tenants want two-way communications, so they too have a voice. Branine added that with Roger Wright's assistance, the tenants are getting their voices heard at the same time the Port provides a soft enforcement, which is leading to a positive result.

##### **2. FACILITIES & OPERATIONS:**

Director of Facilities & Operations, Ron Branine stated that the 2345 lighting project is ongoing, but there are nine workers on site today and the project will hopefully be completed by the end of the year.

Branine announced that the 2579 roofing project has been completed.

Branine stated that the groundwork is still being developed for the HMIS buildout, which is the old Intermech space. Branine noted that HMIS wants several offices built, a breakroom, a very large pallet rack system, battery charging system for their electric forklifts.

Branine added that bids have been received for painting the interior of the old Atkins space, which is approximately 21,000 square feet. Branine added that the painters will be starting this week, with a four week completion schedule.

Branine announced that the sewer line at the Clore has been repaired by Desert Wind.

Branine added that there is still one HVAC unit down at the Total Site Services building on Salk, with no ETA on the replacement.

Branine advised that the facilities team continues to prep fleet equipment for winter operations and has also been installing snow poles.

Branine stated that several small LED light conversions have been completed, with most having less than a five-year ROI with some as low as one-year and will result in immediate savings on the electric bills.

Branine stated that the facilities team is preparing to do a soft flip at 2880 Lee Rd., Ste. B that will include painting, possible wall removal, door repair or replacement, testing of all HVAC components, floor cleaning and refinishing and other small finishing work.

Branine stated that the team is in the process of winterizing the park and is on constant leaf clean-up. Branine noted that the Port has not been able to get approval from the Corp on digging the

five-foot deep hole to repair the damaged irrigation line, but will continue with the replacement of the entire line in early spring, which was previously approved by the Corp.

Executive Director Diahann Howard added that the Port will be requested to meet with the Corps in Portland, as well as a meeting with the tribes to provide updates and overview of future needs.

### **3. REAL ESTATE:**

Director of Real Estate, Teresa Hancock offered a special thank you to Commissioners Jane Hagarty and Robert Larson for their stewardship, support and leadership. Hancock added that words cannot express how appreciative the Port is of them for their years of service to the Port of Benton, staff, senior leadership and to the communities. Hancock added that now is not a time for "goodbye", only "thank you."

Hancock welcomed Commissioner Rasmussen to the team.

Hancock announced that the sale of the Benton City parcel to the Frichettes closed on Monday, December 6, 2021. Hancock reminded that the sale will further promote the Port's economic development mission through private investment of retail development within the downtown corridor on a vacant parcel formerly occupied by the "Head Shed" building that had to be demolished several years ago.

Hancock added that Greg and Shae Frichette are well known community and regional advocates (and amazing winemakers!) and are excited for 2022.

Hancock announced that the space formerly occupied by Wit Cellars in the Prosser Wine & Food Park, Suite B and presently leased by Alexandria Nicole Cellars has received three viable leads for the space. Hancock reminded that there is ribbon-cutting ceremony on Friday, December 17 for JJ Compeau, Naratiff Winery/Northwest Wine Collaborative, which is the new PWFP tenant in Suite A.

Hancock stated that there is currently 700,000 square feet of revenue-generating properties and added that COVID-19 vacancy has included 13+ spaces consisting of 44,259 square feet, which is an average of 27.47% vacancy.

Hancock added that since November 2021, several leads have been actively pursued to backfill spaces within the TBC, TEC and PWFP, with a solid focus of re-tenanting and seeking strategic improvements to maximize exposure and ease for occupancy in a highly competitive present market.

### **4. MARKETING:**

Director of Marketing, Wally Williams welcomed Commissioner Christy Rasmussen and thanked Commissioners Hagarty and Larson for their service.

Williams announced that the holiday card has been completed and mailed out. Williams added that he continues to work on signage for the Prosser and Richland Airports as well as continued flyers and ads for the closures of the upcoming project work in 2022.

Williams added that he has been ordering items for the new Commissioners, including updated business cards and nameplates.

### **5. ECONOMIC DEVELOPMENT & GOVERNMENTAL AFFAIRS:**

Executive Director, Diahann Howard provided an update as Miles Thomas is out on Family Leave because of the birth of daughter, Stella Hilary.

Howard stated that a lot of attention has been going to the Washington VERTical project.

Howard added that Thomas is working on the incubator RFP, which will go out upon his return.

Howard added that Thomas has been working very hard on the Small Business Development efforts to show the Port's continued support for small business growth and development.

Howard added that Thomas has been working on the White Bluffs Hanford History Project with Engineer, Roger Wright, as well as Port infrastructure programs, rail rehab and is also working on going after funds relative to Port key assets.

Howard added that the recent award announced by Washington's Maritime Blue that the Port of Benton is a part of was the only award in the state, which is very exciting.

## **6. FINANCE DIRECTOR:**

Director of Finance/CPA, Danielle Connor announced that the 2022 levy was submitted to Benton County Commissioners within the deadline of November 30, 2021. Connor added that a copy of what was submitted was provided in the Commissioner's packets for today's meeting.

Connor stated that the budgeted 2022 levy amount is \$2,699,365; the 2022 levy rate is 0.35 (0.3475).

Connor added that the Treasurer's office must certify rates by January 15, 2022, so we should be seeing the finalized levy amounts and rates sometime in January.

Connor provided an update on the IAP project, stating that the team continues to make progress on the implementation of the Voyager Commercial lease accounting and lease administration software, although progress has slowed with contractor, Tiffany taking a new position. Connor added that the Port is looking to bring Tiffany back on in a limited capacity starting in January 2022, which will assist with lease entry.

Connor stated that it takes approximately three hours of data entry per lease, and the team is sitting about 38% complete of the approximate 220 leases. Connor noted that about 145 leases remain to be entered, which estimates to about 435 hours of data entry needed.

Connor noted that typically, the Port sees somewhere between 6-12 new leases per year, but the implementation is essentially adding 220 new leases in less than one year. Connor added that once the leases are entered into the system, managing the changes going forward will be much more manageable and the team continues to look at additional resourcing options needed for the lease entry. Connor added that prior to Tiffany leaving, a detailed operating procedure for the lease entry was captured.

Connor added that the team continues to make progress on the integration piece of the project, and have recently received the first pass of the scripts, which included: Customers, Leases, Locations, and General Ledger. Connor added that the team is vetting them and will be coordinating with the Intacct consultant to compile initial feedback. Connor added that they are a great first pass, but will require additional rework.

Connor announced that the 2019 and 2020 audits are in process and all information has been provided electronically. Connor noted that the request list has been extensive, especially with it being a multi-year audit. Connor wanted to provide a huge thank you to Senior Accountant, Veronica Serna for all her efforts of running reports and gathering support thus far, and also thanked Summers Miya, Sheri Collins and Teresa Hancock for their help with supporting documents.

Connor stated that the Port management team held an informal entrance meeting with the SAO on November 22, 2021 and Port Commissioners should have received correspondence from the SAO with the details of that meeting, highlighting the audits they will be performing and the general areas of focus.

Connor stated that the team has confirmed with Moody's that the deadline for providing audited financial statements is January 4, 2022, however, if the audit extends beyond that date, it is

likely Moody's will put our rating under review and will then have an additional 30 days to provide the audited statements, and at that time, Moody's will work to reinstate the rating.

Connor added that it is looking like the audit will be completed sometime in mid-January and added that she has been in contact with the Moody's analyst and has promised to keep them apprised of updates of expected timing.

Connor reminded that the accounting team is preparing for the upcoming change in the pay period/pay dates from semi-monthly (24 pay days per year), to bi-weekly (26 pay days per year). Connor stated that this change will be effective on January 1, 2022 and initial planning has been completed and the team is preparing for the cutover. Connor added that there are several steps to work through in the system, as well as correspondence to get out to the team.

Connor announced that upcoming year end is coming up, which includes payroll and vendor filings in addition to 2021 budget close and 2021 financial statement preparation. Connor added that she is looking to close the 2021 budget year by January 31, 2022 and are asking for any expense reports or invoicing to be submitted by that date.

Connor provided a financial status update, stating that general expenditures for October were approximately \$1.1M, which was in line with what was forecasted.

Connor added that November payments included: Inland Asphalt for the Fermi project, Swaggart Brothers for the Prosser Taxilane project, engineering payments to JUB, Century West and RGW for the Prosser Taxiway project, Richland Airport design and Richland Airport master plan, and to Campbell & Company for the 3250 HVAC replacement project.

Connor added that some invoices are still expected related to projects and \$1.3M is forecasted to outflow in December.

Connor announced that the November reports from the Benton County Treasurer were received last week and the current (unreconciled) general operating cash balance, including reserved cash, is \$4.1M, with \$2.8M available operating.

Connor stated that Accounts Payable is currently sitting at about \$320k outstanding, with approximately \$182k of that being past due. Connor clarified that \$176k of this is for the City of Richland pavement maintenance invoice, as there has been some delay with back and forth invoice corrections, and we are now awaiting coding confirmation, but expect to get this payment released this week. Connor added that other delay factors include new vendor setup, gathering proper approval, as well as delays in receipt of the vendor invoices and necessary backup.

Connor stated that Accounts Receivable is currently sitting at \$327k, with about 27%, or \$88k is aged greater than 90 days, which is made up of several tenants. Connor added that the team continues to send statements and Teresa and Veronica are working together to reconcile customer accounts.

Connor announced that in November, there were \$1M in receipts, which was approximately \$260k more than forecasted. Connor stated that November cash receipts included: \$320k from FAA for AIP 20 Prosser Airport Taxilane construction and AIP 33 Richland Airport Lighting Design, as well as proceeds from the closing of the Benton City property and back due aggregate from Interstate Concrete.

Connor stated that she is building out the cash forecast for 2022 and will be inputting the 2022 budget into Intacct, which will then allow for buildout of more automated reporting.

Connor added that she is aiming to bring a preliminary 2021 budget to actual in January and then again in March or April once year end has been finalized.

## **7. PORT ATTORNEY:**

Port Attorney, David Billetdeaux provided a copy of the "Annual Port Checkup" flyer he obtained at the recent WPPA Annual Meeting and reviewed the recommendations with the team, including requirements for the Port Commission, election of officers, interlocal agreement posting



requirements, tort claims, posting of comp plan, OPMA trainings, Commissioner guidelines and trainings, technical requirements, delegation of powers, workers comp, surplus of property, appointment of auditor, appointment of SEPA representative, personnel manual and staff trainings, and gift thresholds.

Billetdeaux added that the Port of Benton is in compliance with all of the guidelines and in many cases has gone above and beyond. Billetdeaux added that for extra credit to the team, Commissioner reviews may prove valuable as a way to discuss and provide articulated goals.

**8. EXECUTIVE DIRECTOR:**

Executive Director, Diahann Howard stated that the recent WPPA Annual Meeting was great and it was wonderful to see other Port colleagues in person.


Howard added that she is working to complete year end reviews of all staff members.

Howard stated that all other items will be brought up in Executive Session.

**K. EXECUTIVE SESSION:** The regular Commission Meeting was recessed at 10:54 a.m. and an Executive Session was convened at 11:00 a.m. to discuss ongoing litigation, personnel and real estate matters. It was announced that Executive Session would take 30 minutes and if any action was required, the Regular Commission Meeting will reconvene and bring forward the item at that time. It was announced that 15 minutes would be added to Executive Session.

**L. ADJOURNMENT:** A motion was made by Commissioner Roy Keck and seconded by Commissioner Christy Rasmussen and unanimously passed by the Commission to amend the Executive Director's Employment Agreement to revise Section 2.2 to read, "the employee shall be entitled to six months' salary, hereafter, referred to as the 'severance period'" and to increase the Executive Director's 2022 salary to \$187,200.00, with a flat additional \$2k of discretionary Employer Deferred Compensation Contribution. All other terms remain the same.

With no further business, the meeting was adjourned at 11:45 a.m.

  
Lori Stevens  
Commission Secretary