

**PORT OF BENTON
SPECIAL COMMISSION MEETING
AIRPORT WORKSHOP MINUTES
OCTOBER 15, 2024**

A. CALL TO ORDER: The Special Commission Airport Workshop meeting was called to order at 8:30 a.m. at the Port of Benton Commission Meeting Room, 3250 Port of Benton Boulevard, Richland, Washington.

PRESENT: Commissioner Roy D. Keck, Commissioner Scott D. Keller, Commissioner Lori Stevens

PORT STAFF PRESENT: Diahann Howard, Jeff Lubeck, Quentin Wright, Julia Mora, Summers Miya, Ron Branine, Wally Williams, Audrey Burney, Brandin Lopez,

ALSO PRESENT: John O’Leary Gravis Law, Rich Krigler, Michael Fredrickson

The following attendees attended via remote communications: Sheri Collins; Jorge Celestino, Angela Saraceno-Lyman; Teresa Hancock; Bryan Bell; Cassie Hammond; Wendy Culverwell, Tri-City Herald; Bryan Condon, Century West Engineering

The Special Commission Meeting Airport Workshop was noticed as required by RCW 42.30.070.

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

C. AIRPORT WORKSHOP

1. Discussion of Airport Leasing Policies, Rates and Schedule

Executive Director Diahann Howard provided financial background, some findings and requirements of Resolution 22-42, and current policy guidelines.

Howard provided historical background on Richland and Prosser Airports and the airport rules and regulations.

Director of Finance Jeff Lubeck provided guidelines and requirements from the port auditor's standpoint, including limitations and fiduciary responsibilities for compliance matters to Federal and State agencies, taxpayers and tenants.

Lubeck reviewed Prosser and Richland airport revenues, which are currently included in the 2025 budget. The overview included a breakdown of revenue sources.

Lubeck provided key takeaways from a recent State Audit Report released on the Port of Peninsula. Takeaways included:

- Need to receive fair market value to avoid gifting of public funds
- Port Commissioners and staff knowingly not adjusting to fair market value

- Did not perform formal lease rate evaluation in recent years

Audit findings included:

- The Washington State Constitution, Article VII, section 7 prohibits any local government from bestowing a gift or lending money, property or its credit to a private party.
 - To ensure it does not gift public funds, the port is expected to receive fair market value on all leases and charge customers appropriate late fees when they do not make timely payments on accounts.

Lubeck reviewed the additional audit findings in the Port of Peninsula report.

Lubeck provided additional visual aids, including exclusions to fair market value to not-for-profit organizations.

Lubeck provided additional FAA Assurance requirements and WPPA recommendations related to airport leasing.

Airport Manager Quentin Wright reviewed the Port's current airport leases, pointing out how many are currently fair market value and describing some of the issues staff has encountered when administering rate increases.

Staff reviewed options to consider in moving forward.

Staff announced they would like to bring back a modified base lease for consideration at the November Commission meeting.

Further discussion ensued regarding lease rate history, land value and adjustments.

D. ADJOURNMENT: With no further business, the meeting was adjourned at 9:06 a.m.



Roy Keck
Commission Secretary