

## REGULAR COMMISSION MEETING

PORT OF KENNEWICK

FEBRUARY 28, 2006

MEETING MINUTES

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### CALL TO ORDER

After appropriate advertisement, Commission President David Hanson called the first regular Commission meeting to order in the Riverside Room of Clover Island Inn located in Kennewick, Washington at 2:30 p.m., under the new time set for Port of Kennewick Regular Commission meetings.

**Members Present:** David Hanson, President  
Gene Wagner, Vice President  
Linda Boomer, Secretary

**Staff Present:** Tim Arntzen, Executive Director  
Dan Cryer, Director of Operations/Airport Manager  
Larry Peterson, Director of Planning and Development  
Tammy Huffman, Director of Finance/Auditor  
Ken Rice, Port Counsel  
Sherrie Bowers, Administrative Assistant

### PLEDGE OF ALLEGIANCE

Commissioner Hanson led the Pledge of Allegiance.

### CONSENT AGENDA

- ❖ *Commissioner Gene Wagner moved approval of the consent agenda. Commissioner Linda Boomer seconded and the motion carried unanimously.*

*The consent agenda consisted of the following:*

- *Special Commission Meeting Minutes of February 13, 2006*
- *Regular Meeting minutes of February 14, 2006*
- *Payroll Roster dated February 15, 2006:*
  - Expense Fund Voucher Nos. 25087-25096 totaling \$15,389.34
- *Payroll Roster dated February 28, 2006*
  - Expense Fund Voucher Nos. 25097-25109 totaling \$18,764.15
- *Payment Roster dated February 28, 2006*
  - Airport Improvement Fund Voucher No. 315 totaling \$1,800.00
  - Airport Operations Fund Voucher Nos. 40360-40365 totaling \$6,908.62
  - Construction Fund Voucher Nos. 1990-1999 totaling \$263,915.82
  - Expense Fund Voucher Nos. 25110-25133 totaling \$75,970.89

## NEW BUSINESS

### ➤ **Resolution No. 2006-11 Approving Cell Phone Policy**

Director of Finance Tammy Huffman stated the Port recognized that cell phones have become commonplace in business allowing individuals to conduct business while away from the office. However, it is also recognized that cell phones are used for personal purposes. Ms. Huffman researched several other agency cell phone policies and had spoken with the Washington State Auditor's Office regarding this policy. She explained this policy allowed the Port to meet Internal Revenue Service regulations as well as fiduciary responsibility to the Port of Kennewick taxpayers by providing guidelines for the use of cell phones for business purposes. The policy would provide a cell phone allowance for Commissioners and full-time employees rather than purchasing cell phones and entering into a contract with a cell phone company. Under the proposed policy, existing port-owned cell phones and contracts would be terminated as soon as possible. She stated the Washington State Auditor's Office has reviewed the policy and agreed the policy was the best use of public funds.

- ❖ *Commissioner Gene Wagner moved approval of Resolution No. 2006-11 authorizing Commissioners and full-time employees to receive no more than fifty dollars per month for the use of cell phones for business purposes. If there is sufficient evidence the business use of an individual's cell phone bill is in excess of fifty dollars, additional allowance will be determined by the Port Auditor. Commissioner Linda Boomer seconded and the motion carried unanimously.*

## UNFINISHED BUSINESS

### ➤ **Resolution No. 2006-12 Authorizing Dedication of Property to City of Kennewick (SR 395/36<sup>th</sup> Avenue)**

Director of Planning and Development Larry Peterson explained the City of Kennewick had successfully obtained Washington State Department of Transportation funding for the construction of a signalized intersection at 36<sup>th</sup> Avenue and US-395. The City of Kennewick and Kennewick General Hospital have both dedicated property and the Port currently owned the remaining property necessary to complete the right-of-way corridor for this roadway and intersection project. Mr. Peterson stated the City of Kennewick requested the Port dedicate approximately .18 of an acre (7,873 square feet) of port-owned property within the Dickerson site. He explained the project would be constructed without Port monies but would benefit the Port both directly and indirectly. Mr. Peterson stated donating the land demonstrates the Port's continued commitment to development of the transportation network serving the City of Kennewick and vicinity and recommended approval of the resolution.

- ❖ *Commissioner Linda Boomer moved approval of Resolution No. 2006-12 approving the donation of lands to the City of Kennewick for 36<sup>th</sup> Avenue and US-395 intersection right-of-way and further authorized the Port's Executive Director to execute all documentation necessary for the right-of-way project. Commissioner Wagner seconded and the motion carried unanimously.*

## REPORTS, COMMENTS AND DISCUSSION ITEMS

### ➤ **Clover Island Update**

Port Office/Retail Building Update: Director of Operations/Airport Manager Dan Cryer reported the new Port office/retail building was on schedule and anticipated completion by April 12, 2006. He explained completion of the boardwalk was weather dependent but expected it to be completed by April 28, 2006.

Clover Island Drive Reconstruction Update: Mr. Peterson stated the Clover Island Drive reconstruction project had begun and anticipated six weeks for completion. He informed the Commission there had been construction revisions to the road, delivering a better product while subtracting \$5,000 from the project expense.

Clover Island Marina Update: As instructed by the Commission, staff has been researching ways to trim the budget for the marina rebuild while retaining key elements of the project. Mr. Peterson had worked with the engineer to shave the project cost from \$8.3 million to \$6.9 million while still delivering a marina substantially similar to what had been previously bid. One reason for the higher bids last fall was the result of an increased materials cost due to natural disasters in the southern portion of the United States. Another issue was the number of marina projects permitted in 2005 making it impossible for all firms to bid on the Clover Island Marina rebuild project. Although prices are still on the rise as a result of the natural disasters, there should be fewer marina projects permitted this year and Mr. Peterson felt the Port would have a more competitive bidding process this time with a quality marina project for approximately \$7 million.

Mr. Peterson stated staff was having another marine related engineering firm review the project to determine if further expense could be shaved from the project. He explained for a development of this magnitude it was typical to have another firm review the project.

There was discussion regarding financing and Ms. Huffman confirmed \$7 million had been budgeted for the marina rebuild. Mr. Arntzen noted the \$7 million did not include income from land sales and felt the Port was in good financial shape to deliver a well-built marina for the budgeted amount.

After further discussion, it was decided to move forward with the project at approximately \$7 million giving the public what the Port and Commission had originally promised.

Mr. Peterson felt the project could be re-bid in May 2006 giving the low bidder plenty of time to order supplies to meet the 2006 winter work window.

United States Corps of Engineers Administrative Work Load: Mr. Peterson stated the United States Army Corps of Engineers (the Corps) had experienced budget issues thought to be

associated with the natural disasters in the southern portion of United States. He explained real estate projects could be delayed including the Port's project to purchase a portion of land beneath the current Port office building as well as the "Notch" and causeway projects. He had spoken to United States Army Corps of Engineers Environmental Planning Branch Fish and Wildlife Biology Environmental Restoration Chief Carl Christianson and was told the Corps did not have the budget to complete the land purchase at this time. It was decided Commissioner Boomer would attempt to address the purchase with the attorney for the Corps during her participation in the Pacific Northwest Waterways Mission to Washington, D.C.

➤ **Vista Field Update**

Fixed Base Operation Remodel Update: Mr. Arntzen stated the Commission had asked staff to offer a recommendation regarding the Fixed Base Operation (FBO) building remodel. He explained a large portion of the remodel project was to benefit the Tri-Cities Visitor & Convention Bureau (TCV&CB) by increasing their office space by 1,000 square feet. He informed the Commission he had attended a recent TCV&CB board meeting where the Executive Director had been instructed to search for alternate office locations to house not only the TCV&CB, but also the Tri-Cities Regional Chamber of Commerce and possibly TRIDEC. Mr. Arntzen stated it would be difficult to recommend continuing with the original remodel plan based on the new information that the main tenant would no longer be located at the facility. He explained there were several scenarios available to the TCV&CB including locating offices at the Spaulding Business Park in a privately developed building. Mr. Arntzen wanted the record to reflect the fact that the Port was not terminating the lease with the TCV&CB and that the organization simply had other opportunities offered and a large remodel of the facility was not in the Port's best interested at this time.

Mr. Arntzen recommended the Port commit to providing the pilots with amenities previously promised and upgrading safety at the facility. The Commission agreed.

Jerry Ivy Correspondence Discussion: Mr. Arntzen stated the May 2004 purchase and sale agreement between the Port and Mr. Jerry Ivy had matured. He stated the eighteen-month development window had expired without development of the site. He explained although the Port had no plans to exercise the "Right of Repurchase" provision of the purchase and sale agreement, he felt Mr. Ivy should be notified of the Port's intent to reserve the right to repurchase if so desired. The Commission agreed and correspondence will be sent to Mr. Ivy expressing the Port's desire for the timely development of this tract.

➤ **Carlton Wine Studio Tour Update**

Mr. Arntzen provided pictures of his recent tour of the Carlton Wine Studio in the northern Willamette Valley. He explained it was a 7,000 to 8,000 square-foot facility with eleven wine tenants and felt such a development would benefit the Red Mountain American Viticultural Area. The Commission agreed.

➤ **Water Taxi Discussion**

Mr. Arntzen informed the Commission that Tri-Ports planned to participate in a study regarding a water taxi service in the area. He wanted the Commission to understand Port of Kennewick was not participating financially and Ports of Benton and Pasco would split the expense of the contribution for the study. The Tri-Ports name may appear as a contributor and he wanted it noted he was not participating in discussion regarding the water taxi due to a potential conflict of interest.

➤ **Meeting Reports**

- Mr. Peterson reported attending the Benton-Franklin-Walla Walla Regional Freight Summit.
- Mr. Arntzen attended a Tri-Ports meeting and a Tri-Cities Visitor & Convention Bureau board meeting.
- Mr. Cryer reported attending the Tri-Cities Regional Chamber of Commerce State of the Counties presentation, the Benton-Franklin-Walla Walla Regional Freight Summit and a Department of Transportation Aviation meeting.
- Commissioner Boomer attended the Benton-Franklin-Walla Walla Regional Freight Summit.
- Commissioner Wagner attended the Benton-Franklin-Walla Walla Regional Freight Summit, a Benton-Franklin-Walla Walla County Good Roads and Transportation meeting and a Benton-Franklin Council of Governments meeting.

➤ **Non-scheduled Items**

Mr. Arntzen informed the Commission Port of Benton had recently undergone a computer security review and Port of Kennewick was following suit. He stated the Port's computer system was now more secure than ever and felt with the increase in fraudulent activity via the Internet it was time to upgrade computer system security.

**PUBLIC COMMENTS**

- Mr. Coie was very pleased the Commission was unanimously in favor of moving forward with the caliber of marina promised to the public. He felt it was the right thing to do.

**EXECUTIVE SESSION**

- ◆ *Real Estate Matters: RCW 42.30.110(b)*
- ◆ *Potential Litigation: RCW 42.30.110 (1) {i}*

The Regular Commission meeting was recessed into Executive Session at 3:30 p.m. for discussion of real estate and potential litigation matters. Commissioner Hanson anticipated Executive Session to last approximately thirty minutes with no action expected.

**ADJOURNMENT**

The Regular meeting was reconvened at 4:05 p.m. and with no further business to bring before the Board the Regular Commission meeting was adjourned at 4:05 p.m.

***APPROVED:***

**PORT OF KENNEWICK  
BOARD OF COMMISSIONERS**

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*David Hanson, President*

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*Gene Wagner, Vice-President*

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*Linda Boomer, Secretary*