

REGULAR COMMISSION MEETING

PORT OF KENNEWICK

APRIL 25, 2006

MEETING MINUTES

CALL TO ORDER

Commission President David Hanson called the Regular Commission meeting to order at 2:30 p.m. in the Riverside Room of Clover Island Inn located in Kennewick, Washington.

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

Staff Present: Tim Arntzen, Executive Director
Larry Peterson, Director of Planning and Development
Tammy Huffman, Director of Finance/Auditor
Ken Rice, Port Counsel
Justin Gerry, Maintenance Supervisor
Sherrie Bowers, Administrative Assistant

PLEDGE OF ALLEGIANCE

Commissioner Hanson led the Pledge of Allegiance.

Executive Director Tim Arntzen requested that a potential litigation {(RCW 42.130.110 (i))} item be added to Executive Session. Commissioner Hanson added the item to be discussed during Executive Session.

CONSENT AGENDA

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

The consent agenda consisted of the following:

- *Regular Commission Meeting Minutes of April 11, 2006*
- *Special Meeting and Joint Public Hearing with Kennewick Public Hospital District of April 17, 2006*
- *Payroll Roster dated April 14, 2006:*
 - Expense Fund Voucher Nos. 25258-25266 totaling \$14,639.94
- *Payment Roster dated April 14, 2006*
 - Construction Fund Voucher No. 2019 totaling \$700.00
- *Payment Roster dated April 25, 2006*
 - Airport Operations Fund Voucher Nos. 40387-40391 totaling \$3,465.24
 - Construction Fund Voucher Nos. 2020-2024 totaling \$303,665.16
 - Expense Fund Voucher Nos. 25267-25291 totaling \$31,825.69

UNFINISHED BUSINESS

➤ **Resolution No. 2006-20 Approving the Purchase of Property on Clover Island**
Director of Planning and Development Larry Peterson explained detailed survey work conducted in 1999 on Clover Island identified the northwest corner of Clover Island was still owned by the United States Corps of Engineers (Corps). Efforts to acquire this parcel were undertaken and negotiations with the Corps began. Documents regarding the purchase were submitted and on March 20, 2006 the Port received written confirmation that the deed had been signed by the

Corps. Purchase of this parcel would complete the Port's efforts to bring the developable portion of Clover Island under the Port's control and Mr. Peterson recommended approval of the resolution.

- ❖ *Commissioner Boomer moved approval of Resolution No. 2006-20 authorizing the Port's Executive Director to execute all necessary documents to purchase the 1.5 acres located on Clover Island from the U.S. Corps of Engineers for the sum of \$183,600.00. Commissioner Wagner seconded and the motion carried unanimously.*

NEW BUSINESS

➤ **Resolution No. 2006-21 Authorizing Submittal of Interagency Committee Grant Application for Marina Replacement**

- ❖ *Commissioner Wagner moved approval of Resolution No. 2006-21 approving submittal of application to the Interagency Committee for Outdoor Recreation (IAC) for the Clover Island Marina replacement and further authorized the Port's Executive Director to execute all necessary documents associated with the submittal. Commissioner Boomer seconded and the motion carried unanimously.*

REPORTS, COMMENTS AND DISCUSSION ITEMS

➤ **Clover Island Update**

Island Art: Mr. Arntzen explained the Clover Island Master Plan called for artwork throughout Clover Island. He stated staff had been reviewing suggestions for artwork for the Port office/retail building interior but felt it was time to begin reviewing artwork for the island itself. He welcomed public comment regarding the artwork and hoped to use local artists for the project when appropriate.

There was discussion of the artwork donated to the Port by Don and Barbara Carter. Mr. Arntzen stated the piece would be displayed in a specially designed location of the Port office/retail building but stated the artwork could be moved if an organization wanted to temporarily display the piece at another location.

Port Office/Retail Building Update: Director of Operations/Airport Manager Dan Cryer stated the interior of the building should be completed by the end of next week. He discussed issues that have delayed the project including completion of landscaping after the conclusion of the road project.

Clover Island Drive Reconstruction Update: Mr. Peterson explained the contractor had experienced setbacks due to manufacturer delays and anticipated the project would be completed by May 26, 2006.

Pump Out Reconfiguration: Mr. Arntzen stated the fuel dock was rebuilt with the addition of a pump out system engineered by HDR Engineering in 2003. He explained there had been numerous issues with the pump out since the installation and after extensive testing by Maintenance Supervisor Justin Gerry, it was discovered the system installed was not

designed for smaller marinas but designed for much larger marinas with continual use. Neither was it designed to be located upland from the dock but should have been installed on the dock. Mr. Gerry has had several conversations with engineers and with the manufacturer of the pump out system. As a result, the manufacturer agreed to accept the system as a trade-in on a system more suitable for Clover Island Marina.

Mr. Arntzen informed the Commission the new system would cost approximately \$25,000, which included proper engineering costs, but felt engineering was a very necessary expense and recommended approval to pursue purchase of a new pump out system. The Commission agreed.

Mr. Rice recommended declaring the situation an emergency repair due to possible health-related issues and felt the replacement should take place as soon as possible.

➤ **Oak Street Industrial Park**

Lease Discussion: Mr. Cryer explained a current tenant was interested in subletting land for a greenhouse operation formerly located in Pasco. He explained the operation currently provides vegetables to local restaurants and markets and is already a successful operation. The Commission agreed to the subleasing of land in the Oak Street Industrial Park.

➤ **Vista Field Update**

Washington State Department of Transportation – Aviation Division Grant Revision: Mr. Cryer had previously discussed the receipt of a grant in the amount of \$146,000 for slurry sealing the runway. After review of the increased oil costs of the slurry seal, the grant amount was increased by \$25,030 bringing the total payable amount from WSDOT Aviation Division to \$171,024 subject to a ten percent match by the Port in the amount of \$19,003.

➤ **Agriculture Lease Update**

Mr. Cryer stated all agricultural leases had been reviewed, adjusted, negotiated and executed.

➤ **Financial Report**

Mr. Arntzen stated Ms. Huffman had presented him with a memo summarizing the Port's financial status and felt the Port was in great financial condition. Copies of the memo were distributed to the Commission. Ms. Huffman explained that from 2000-2005 the Port showed a profit of \$565,268 thus showing the Port's operation expenses are being covered by non-tax revenues. She explained the property tax levy rate had decreased by eighteen percent since 1990 and the Port has proven it can reach mission goals without increasing the levy.

Ms. Huffman explained the Port's total assets have been steadily increasing and, when compared to other Washington ports, the Port of Kennewick is doing a significant job in keeping expenditures at a minimum and is eight to thirteen percent below the average of all Washington ports expenditure increases. Ms. Huffman stated the Port is ranked eleventh out of seventy ports in the State of Washington for total revenues exceeding total expenditures; with approximately \$2 million surplus.

Ms. Huffman presented the Commission with the un-audited 2005 annual report for review.

The Commission commended Ms. Huffman for her work on the financial statements and annual report.

➤ **Meeting Reports**

- Mr. Cryer met with potential tenants for the office/retail building.
- Ms. Huffman attended the monthly Institute of Internal Auditors meeting.
- Mr. Gerry attended a Washington Public Ports Association fuel dock meeting in Everett, Washington.
- Commissioner Boomer attended the Tri-Cities Regional Chamber of Commerce annual meeting and the Tri-Cities Legislative Council “Legislative Thank You Reception” at Terra Blanca in Benton City.
- Commissioner Wagner attended the Tri-Cities Regional Chamber of Commerce annual meeting, a Benton-Franklin Council of Governments Policy Action Committee meeting, a Water, Power, Dams meeting, a County Good Roads & Transportation meeting and attended the Historic Downtown Kennewick Partnership unveiling and dedication of the new artwork entitled “Blue Trinity by James Kelsey © 2000” at the corner of Kennewick Avenue and Cascade Street.
- Commissioner Hanson attended a TRIDEC Executive Committee meeting.

➤ **Non-scheduled Items**

- Mr. Arntzen explained an email had been received from Bob Hennig complimenting the Port for the projects on Clover Island. Mr. Hennig has walked Clover Island nearly every day for years and stated, “The walkway, railings and seating are the best in the Tri-City area.” He stated the building looked very nice and, “the blooming trees were glorious.”
- Mr. Arntzen stated he planned to join the Northwest RiverPartners organizations on behalf of the Port.

PUBLIC COMMENT

- Mr. Cal Coie stated he was pleased the artwork donated the Port by Don and Barb Carter would be in the new building.

Mr. Coie stated the fuel dock was not properly designed and he was in attendance of the meeting with the manufacturer where it was stated had the manufacturer known the vertical distance of the project, that type of pump out system would have never been recommended.

Mr. Coie stated he had watched the City of Richland Park Board meeting on local cable television where the future relationship with a dinner boat company was discussed. If the

relationship between a local dinner boat company and the City of Richland was dissolved, he felt the Port should pursue the company's business.

- Richland City Councilmember Dave Rose explained the situation with the City and the dinner boat company was fuel and parking issues but didn't foresee terminating the relationship with the company.

EXECUTIVE SESSION

- ◆ *Personnel Matter: RCW 42.30.110 (g)*
- ◆ *Real Estate Matters: RCW 42.30.110(b)*
- ◆ *Potential Litigation RCW42.30.110 (i)*

The Regular Commission meeting was recessed into Executive Session at 3:41 p.m. for discussion of personnel, real estate and potential litigation matters. Executive Session was anticipated to last approximately thirty minutes with no action expected.

Public announcement was made that the Executive Session would be extended for approximately thirty additional minutes.

ADJOURNMENT

The Regular meeting was reconvened at 4:45 p.m. and with no further business to bring before the Board the Regular Commission meeting was adjourned at 4:45 p.m.

APPROVED:

**PORT OF KENNEWICK
BOARD OF COMMISSIONERS**

David Hanson, President

Gene Wagner, Vice-President

Linda Boomer, Secretary