



PORT OF KENNEWICK REGULAR COMMISSION MEETING

DECEMBER 11, 2018 MINUTES

Commission President Thomas Moak called the Regular Commission Meeting to order at 2:00 p.m. in the Port of Kennewick Commission Chambers located at 350 Clover Island Drive, Suite 200, Kennewick, Washington 99336.

The following were present:

Board Members: Thomas Moak, President
Don Barnes, Vice-President
Skip Novakovich, Secretary

Staff Members: Tana Bader Inglima, Deputy Chief Executive Officer
Amber Hanchette, Director of Real Estate and Operations
Nick Kooiker, Chief Financial Officer/Auditor
Larry Peterson, Director of Planning and Development
Lisa Schumacher, Special Projects Assistant
Bridgette Scott, Executive Assistant
Lucinda Luke, Port Counsel

PLEDGE OF ALLEGIANCE

Commissioner Novakovich led the Pledge of Allegiance.

APPROVAL OF THE AGENDA

MOTION: Commissioner Novakovich moved to approve the Agenda as presented; Commissioner Barnes seconded. With no further discussion, motion carried unanimously. All in favor 3:0.

PUBLIC COMMENT

No comments were made.

CONSENT AGENDA

- A. Approval of Direct Deposit and E-Payments Dated November 19, 2018**
Direct Deposit and E-Payments totaling \$77,553.10
- B. Approval of Warrant Register a Dated November 27, 2018**
Expense Fund Voucher Numbers 100615 through 100655 for a grand total of \$274,231.42
- C. Approval of Direct Deposit and ePayments Dated December 4, 2018**
Direct Deposit and E-Payments totaling \$76,709.82
- D. Approval of Warrant Register Dated December 11, 2018**
Expense Fund Voucher Numbers 100656 through 100679 for a grand total of \$56,515.51
- E. Approval of Benton County Disbursement Agreement (Resolution 2018-25)**
- F. Approval to Revise CEO Delegation of Authority**
- G. Approval of Regular Commission Business Meeting Minutes November 13, 2018**

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MOTION: *Commissioner Barnes moved for approval of the Consent Agenda, as presented; Commissioner Novakovich seconded. With no further discussion, motion carried unanimously. All in favor 3:0.*

NEW BUSINESS

A. Budget, Financial and Operational Philosophy (Cash Reserve Policy); Rescind Resolution 2014-31 and approve Resolution 2018-31

Mr. Kooiker stated Resolution 2014-31, the Port's Budget, Financial, and Operational Philosophy assists the Commission in their analysis of information. Resolution 2018-31 will replace 2014-31 and adds a reserve policy which stipulates that the Port will maintain \$2,500,000 in reserves and what the reserves can be utilized for, if needed:

- Debt service;
- Environmental pollution claims against the Port;
- Unemployment Claims;
- Paid Family and Medical Leave Claims; and
- Any other uses deemed necessary by the Commission.

Commissioner Novakovich thanked Mr. Kooiker for his work on the Budget, Financial, and Operational Philosophy.

PUBLIC COMMENTS

No comments were made.

MOTION: *Commissioner Novakovich moved to approve Resolution 2018-27, adopting the Port's Budget, Financial, and Operational Policy and rescinding Resolution 2014-31; Commissioner Barnes seconded.*

Discussion:

Commissioner Moak supports the updated Policy and stated the reserve funds of \$2,500,000 has been budgeted in the 2019-2020 Budget. Furthermore, the reserve funds can be used for something the Commission deems necessary.

With no further discussion, motion carried unanimously. All in favor 3:0.

B. Purchase and Sale Agreement with Benton County Fire Protection District No. 4; Resolution 2018-28

Ms. Hanchette stated Benton County Fire Protection District (BCFD) #4 received bond funding to build a new station in West Richland. BCFD #4 approached the Port with an offer of \$10,000 to purchase 2 acres of vacant Port-owned land off of Keene Road for the purpose of constructing a fire station on the property and further enhancing fire protection for the public and nearby Port properties. The new fire station would serve a growing West Richland residential population and the rapid expansion of vineyards on Red Mountain with fire service and emergency response capabilities. The standard Purchase and Sale Agreement (PSA) for Commission consideration has one deviation; to advance the process forward quickly, Port staff is recommending \$1,000

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earnest money deposit in lieu of \$5,000. Ms. Hanchette stated BCFD #4 representative Chief Bill Whealan is with us today to answer any questions the Commission may have.

Commissioner Barnes confirmed that the feasibility period is 60 days.

Ms. Hanchette stated the total period is 90 days, a 60 day feasibility period with a 30 day closing.

Commissioner Barnes stated the earnest money amount proposed is lower than the typical minimum; however, the earnest money is not at risk of forfeiture by the buyer until the end of the feasibility period.

Ms. Hanchette stated that is correct.

Commissioner Novakovich received phone call from former Commissioner Bob Olsen who expressed his support on the sale of property to BCFD #4.

Commissioner Moak stated the Port passed an Art Policy related to land sales and inquired if a percentage of the property sale is included in the \$10,000.

Ms. Hanchette stated that was not part of the discussion and believes it will not be part of the \$10,000.

Commissioner Moak understands that it is a new policy and stated for future land sales the art policy should be included in the standard PSA. This is a good example of two public agencies working together for the benefit of the community and the citizens approved a tax measure to build the fire station. Commissioner Moak believes it is great that the Port can partner on such a project that helps our community. Commissioner Moak thanked Ms. Hanchette and Chief Whealan for their work on this land sale.

Woody Russell, 87401 Harrington Road, West Richland. Mr. Russell, a Commissioner for BCFD #4 thanked the Port Commission for their consideration and stated this will give the citizens of West Richland a station that will last well into the future and address the needs of the City.

Bill Whealan, 7008 Glenbrook Loop, West Richland. Chief Whealan echoed Commissioner Russell's comments and stated this is a great opportunity for collaboration. Chief Whealan stated the location is perfect and BCFD #4 can give the best value to everyone in the district based on this location, including the county areas. There will be additional savings for commercial and residential insurance rates as well.

PUBLIC COMMENTS

No comments were made.

MOTION: Commissioner Novakovich moved to approve Resolution 2018-28, authorizing the Chief Executive Officer to execute all necessary documentation association with the land sale to Benton

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County Fire District #4 and to take all other action necessary to close this transaction; Commissioner Barnes seconded. With no further discussion, motion carried unanimously. All in favor 3:0.

REPORTS, COMMENTS AND DISCUSSION ITEMS

A. *Clover Island Update*

Ms. Bader Inglima updated the Commission on the 1135 US Army Corps of Engineers project. The Port recently completed the bathymetry review on the shoreline, to answer the question of which alternative to pursue. The report points to alternative #1, which would install more armory along the shoreline, additionally, the report is considered as in-kind and will be credited towards the Port's match. The USACE has evaluated the report and it does not look like the material costs have changed. John Fetterolf evaluated the report as well and concluded that alternative #1 is the best option to pursue. Based on that information, staff and the City submitted a joint application to Benton County, for Rural Capital County Funds (RCCF) to pursue a partnership with the USACE and leverage federal dollars. Ms. Bader Inglima reported that the application has been submitted and Benton County anticipates reviewing it in January.

Commissioner Novakovich inquired if the USACE has a timeline for construction.

Ms. Bader Inglima stated that the Port and City need to work through RCCF application to determine whether we have our match in place, in addition to the State RCO grant funds. Those factors will determine when USACE moves forward.

B. *Columbia Drive Update*

Mr. Peterson reported on the construction of Columbia Gardens Phase 2A and the future development.

Commissioner Moak inquired when the joint use parking lot will be constructed.

Mr. Peterson stated the wine tasting building and parking lot will be bid and constructed together. The area for the parking lot will be used as lay down yard and then paved once the building is completed.

Commissioner Moak inquired when the vacant parcels will be marketed for sale.

Mr. Peterson stated because of the sequencing of the project and construction on the site, the properties can be marketed after the wine tasting building is complete.

Ms. Hanchette stated staff plans to work through the construction process and once lots are identified, staff can start marketing the parcels. Ms. Hanchette has had several conversations with people who have expressed interest in the property and continues to update them. Once construction is completed and the boundaries lines and price have been established, the Port can market the parcels for sale.

Mr. Peterson stated there will be nine parcels available and those should be recorded by mid-February.

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Commissioner Moak inquired when the Columbia Fitness parking lot lease will expire.

Ms. Hanchette stated the lease ends December 31, 2018, but the Port can discuss an extension with the property owner.

Ms. Bader Inglima stated the wineries have utilized the extra parking for events and would appreciate a contract extension until the parking lots are completed. Ms. Bader Inglima will reach out to discuss an extension. Terry Walsh from the City of Kennewick and Shyanne Faulconer from Benton County are present today and Ms. Bader Inglima expressed her appreciation for their partnership on the Columbia Garden Loop Road Project. Without our joint RCCF application with the City and Benton County approving the RCCF application, this project would not have happened.

Mr. Peterson stated the following items will be installed in the next few months: the bus shelter and additional artwork, landscaping, remaining sidewalks, stripes, and stucco on the masonry wall. Mr. Peterson reported that the City's HAWK flashing crosswalk will be completed in January.

Commissioner Moak thanked staff for the update and details.

1. Food Truck Plaza Committee Update

Ms. Hanchette stated this summer the Port invited food truck owners to apply for tenancy at Columbia Gardens. The leased food truck space includes: power pedestal, access to potable water; grease disposal area, a grey water dump area, and access to a common area dumpster. In September the Commission approved the food truck plaza committee to evaluate applications and make recommendations for the food truck pilot program. The committee consisted of Ms. Hanchette, Terry Walsh, Shyanne Faulconer, and Marilou Shea. Through committee discussions and consultation, seven applications were evaluated on a number of factors: menu variety, food quality, branding, food reputation, marketing, customer service, industry experience, business management and time commitment. Two tenant recommendations were made to the Commission on September 25, 2018: Swampy's BBQ and Frost Me Sweet Mobile Desserts.

Due to the extended construction time, the committee is looking at a phased approach for the Food Truck Plaza. The committee recommends a longer pilot program period, two years instead of one year and incorporating flexible lease periods to allow Port staff the ability to "test" the business. The committee recommends continuing to advertise and accept applications. Lastly, the committee recommends re-evaluating the lease format, and terms and conditions at the end of the pilot program. Ms. Hanchette stated the Plaza is starting out with solid foundation, but believes some terms may need to be revised.

Commissioner Novakovich likes the selective process that the committee is taking and the quality of vendors. Commissioner Novakovich thanked the committee for their time and assistance.

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Commissioner Barnes agrees with Commissioner Novakovich's comments and stated it is important to maintain a degree of flexibility and recognize from the onset that this is a pilot program and therefore a set reasonable expectations is prudent.

Commissioner Moak recently spoke at a Richland Rotary function and was approached by the owner of Asian Fuzion, who was interested in applying for the Plaza. Commissioner Moak stated the Port's first tenants are known within the community and have name recognition. Commissioner Moak appreciates all the work and research that the committee has done.

Commissioner Barnes inquired if Ms. Hanchette is requesting to transition the review of the food truck applications from the committee to Port staff.

Ms. Hanchette confirmed we would like to transition the committee, but still use as a resource. Ms. Hanchette will receive the applications, review, and speak with Port staff and Mr. Arntzen and run through the process that was established by committee.

The Consensus of the Commission is to approve staff recommendations and transition from the committee to Port staff under the CEO's delegation of authority.

2. Columbia Basin College/City of Kennewick/Port of Kennewick Meeting

Ms. Bader Inglima reported that Mr. Arntzen recently met with Marie Mosley, City of Kennewick City Manager, and Dr. Rebekah Woods, Columbia Basin College President met to discuss the Culinary Institute. CBC is still intending to bring their culinary program to The Willows. Ms. Bader Inglima stated the Port continues to work with the City and CBC in advancing the culinary program.

C. Vista Field

Mr. Peterson reported that Vista Field Infrastructure Phase 1A construction project will be advertised for bid on January 20, 2019 with plans available on January 21, 2019. Bids are due on February 21, 2019 and staff will bring the final results to the Commission at the February 26, 2019 Regular Commission Meeting. The bid estimates, based upon recent contractor bids and general comments are coming in at a reasonable amount. The project will include: roadway, utilities, pavement, lighting, landscaping, water feature, and parking lot improvements. Vista Field Phase 1A will also include a similar food truck plaza that was constructed in Columbia Gardens to add activity to the site at the onset.

Commissioner Moak inquired if staff is still using the Vista Field stakeholder list.

Mr. Peterson stated yes, the last email the stakeholder's received was for the April 19, 2018 Vista Field open house event.

D. Governor's Arts and Heritage Awards

Ms. Bader Inglima reported that the Port was recently awarded the Governor's Heritage Award, the highest award given by the Governor's Office. The Port was recognized as a 103 year old

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organization that has influenced, adapted, and contributed to the community, particularly with the emphasis on arts, and telling a story through art and architecture.

Mr. Peterson attended the event with the Commission and Barb Carter, the Port's Art Liaison. Mr. Peterson presented pictures from the event.

Ms. Bader Inglima stated the award is not just about art, but honoring the heritage of the community and ways the Port has tied the artwork back to community. Ms. Bader Inglima thanked Ms. Carter for all of her work and support over the past several years.

Ms. Carter thanked the Commission for the opportunity to attend and stated the event was held in Bremerton, which has a massive amount of public art. The Governor mentioned that several millions are invested yearly from the arts industry into the small town.

Mr. Peterson stated the Governor mentioned that arts has a direct tie to economic development, by drawing visitors to our community and employing people within our community.

Commissioner Moak stated it is important to remember that it isn't just the Port as an entity, but it is the individuals like Ms. Carter and Mr. Arntzen, who are the ones that move the art projects forward. Additionally, staff as well as the Commission take part in the process and the Port takes pride in the installations. Art has become part of the Port's DNA and Commissioner Moak stated the award is a tribute to everyone involved in the process. Commissioner Moak thanked Ms. Carter for introducing the Port and supporting the Port with these endeavors.

Commissioner Barnes felt proud very proud to be associated with the Port and appreciated Commissioner Moak's genuine remarks in accepting the award from the Governor.

Commissioner Novakovich thanked Ms. Carter for the lovely introduction and believes it was Commissioner Moak's finest speech to date.

E. Commissioner Meetings (formal and informal meetings with groups or individuals)

Commissioners reported on their respective committee meetings.

F. Non-Scheduled Items

1. Commissioner Novakovich relayed that Mr. Bob Olsen was pleased with what the Port has been doing lately and feels the Port should stay the course.

Commissioner Novakovich received a picture from Ron Swamby of Swampy's new BBQ that will be permanently staged in Food Truck Plaza.

2. Commissioner Moak attended a session related to creation of Industrial Development Districts (IDD) at the Washington Public Ports Association (WPPA) Annual Meeting. The Port can create an IDD without levying the tax because there are certain powers associated with an IDD other than the tax. Commissioner Moak wondered if that is something the Port should research for the development of the Kennewick Waterfront.

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Additionally, during the Economic Development Committee report, the Port of Skagit recently partnered with the local PUD on broadband and found advantages in creating an LLC or non-profit corporation instead of using an Interlocal Agreement.

3. Ms. Scott reported that there will not be a Commission Meeting on December 25, 2018.
4. Ms. Bader Inglima reported that the Port gave away a projects highlights card at the Tri-Cities Regional Chamber State of Ports lunch and stated it is available out front.

The newsletter will be mailed today and was inserted in the *Tri-City Herald* as well as the *Journal of Business*. Ms. Bader Inglima believes it is the nicest newsletter the Port has done because of the featured artwork.

5. Ms. Luke also attended the WPPA annual meeting and added that the Port of Skagit is partnering to file for an LLC entity that will help facilitate, educate, and support port entities as well as other entities who wish to install dark and lit fiber. Ms. Luke thanked the Commission for the opportunity to attend this WPPA annual meeting.
6. Mr. Peterson stated as Ms. Bader Inglima mentioned, the highlights card included statistics related to private sector investment since 2007. Mr. Peterson reported that the Port sold land to the private sector which created \$132,000,000 on the tax roll (approximately \$1,600,000/year) since 2007. Additionally, approximately 1200 jobs have been created within Spaulding, Oak Street, Southridge and Red Mountain.

PUBLIC COMMENTS

Terry Walsh, 210 West 6th Avenue, Kennewick. Ms. Walsh, Employee and Community Relations Executive Director for the City of Kennewick stated it has been a pleasure and an honor to serve on the tenant selection committees for the Wine Tasting Village and the Food Truck Plaza. Ms. Walsh reaffirmed that City Manager Marie Mosley is as passionate as Mr. Arntzen about all of the projects that are happening here, as well as the City's professional staff. Ms. Walsh attended the Port/City/CBC meeting with Dr. Woods, as well as Tyrone Brooks and the Dean that will be overseeing the culinary program. There was a lot of discussion and Ms. Walsh feels that Dr. Woods is very committed to the project. Ms. Walsh thanked the Commission for all of the opportunities and wished everyone a happy holidays.

COMMISSIONER COMMENTS

No comments were made.

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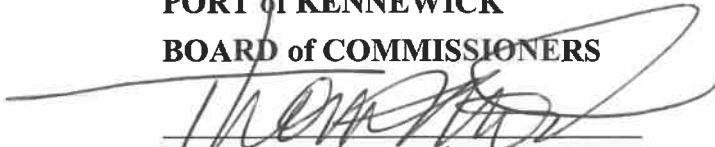
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ADJOURNMENT

With no further business to bring before the Board; the meeting was adjourned 3:38 p.m.

APPROVED:

PORT of KENNEWICK BOARD of COMMISSIONERS



Thomas Moak, President

Don Barnes, Vice President

Skip Novakovich, Secretary

PORT OF KENNEWICK

RESOLUTION 2018-25

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE PORT OF KENNEWICK APPROVING AN INTER-LOCAL AGREEMENT WITH BENTON COUNTY RELATED TO SECURING RURAL COUNTY CAPITAL FUNDS FOR PHASE 1A OF VISTA FIELD REDEVELOPMENT

WHEREAS, the Port is moving forward with Phase 1A infrastructure plans for Vista Field redevelopment, planning to bid in January 2019; and

WHEREAS, Benton County has determined they would like to partner on the Vista Field project, and realizes the benefit the project will have to the entire City, County, and surrounding regions; and

WHEREAS, Benton County would like to contribute \$500,000 of their allocation of rural county capital funds to support infrastructure improvements; and

WHEREAS, this collaboration serves the public interest by leveraging the port and county funds for the greatest economic benefit; and

WHEREAS, the attached disbursement agreement has been reviewed by Port legal counsel.

NOW, THEREFORE, BE IT RESOLVED that the Board of Commissioners of the Port of Kennewick hereby adopts the attached Disbursement Agreement (Exhibit "A") between the Port of Kennewick and Benton County related to Rural County Capital Funds for phase 1A infrastructure at Vista Field, and authorizes the Port's Chief Executive Office to execute the agreement and instructs the CEO to take all action necessary to implement such agreement.

ADOPTED by the Board of Commissioners of the Port of Kennewick this 11th day of December, 2018.

***PORT OF KENNEWICK
BOARD OF COMMISSIONERS***

By: 

THOMAS MOAK, *President*

By: 

DON BARNES, *Vice President*

By: 

SKIP NOVAKOVICH, *Secretary*

RESOLUTION 2018-1023

BEFORE THE BOARD OF COMMISSIONERS OF BENTON COUNTY, WASHINGTON

IN THE MATTER OF THE RURAL COUNTY CAPITAL FUND, DISBURSEMENT TO THE PORT OF KENNEWICK FOR THE "VISTA FIELD REDEVELOPMENT - PHASE 1A" PROJECT

WHEREAS, RCW 82.14.370, adopted by the Washington State Legislature in 1997, authorizes certain qualified counties like Benton County to impose a "sales and use tax for public facilities", the revenue from which is intended to support "economic development activities" through the construction of "public facilities" by the cities, ports, and the County itself for the purposes of job creation and tax revenue generation; and,

WHEREAS, Benton County has established the "Rural County Capital Fund" (RCCF) for said economic development activities, and has reserved a portion of the RCCF for possible disbursement to cities and ports within the County who request County participation with qualified capital development projects that comport with both State law and County policy; and,

WHEREAS, the Port of Kennewick has submitted an application for disbursement of funds to be used toward development of a project upon the Port's property and within the city of Kennewick known as the "Vista Field Redevelopment - Phase 1A"; and,

WHEREAS, this request from the Port is unusual when compared with other recent RCCF-funded projects in that funds will be drawn from the County's own allocation of the RCCF and provided to the Port for their project, rather than using funds from the Port's allocation; and,

WHEREAS, the County and the Port have mutually agreed to terms on a *Disbursement Agreement for use of Rural County Capital Funds*; **NOW THEREFORE**,

BE IT RESOLVED, by the Board of County Commissioners that the Chairman is hereby authorized to sign the *Disbursement Agreement for use of Rural County Capital Funds* with the Port of Kennewick for the disbursement of up to \$500,000.00 for participation in the "Vista Field Redevelopment - Phase 1A" project.

Dated this 18 day of Dec, 2018.


Chairman of the Board


Member


Member

Attest.....
Clerk of the Board

Constituting the Board of Commissioners
of Benton County, Washington.

DISBURSEMENT AGREEMENT

FOR USE OF RURAL COUNTY CAPITAL FUNDS

This Agreement, among and between Benton County (hereinafter “County”), and the Port of Kennewick (hereinafter “Port”), shall be effective upon execution by both parties.

WHEREAS, the County has previously agreed to distribute certain funds received from the State of Washington that it has deposited in its Rural County Capital Fund (hereinafter “Fund”) after April 1, 2016 for the financing of certain “public facilities [projects] serving economic development purposes” as contemplated by State statute (RCW 82.14.370) and in conformance with County policy (Resolution 2017-103, adopted January 31, 2017); and,

WHEREAS, the County and the Port are authorized, including under Chapters 39.33 and 39.34 of the Revised Code of Washington, to contract with each other and other public agencies in order to effectively and efficiently operate, administer, and carry out their programs and public projects; and,

WHEREAS, the Port owns 103 acres at Vista Field, an underutilized area formerly used as an airfield that the Port desires to develop for economic development purposes; and,

WHEREAS, the Port has undertaken an extensive public process to gain input on the public’s desired use for the acreage, and has determined to develop the area into a walkable, bike-able, pedestrian friendly, and transit-oriented town center; and,

WHEREAS, Phase IA of the “Vista Field Redevelopment” project includes nearly 20 acres and consists of constructing a water system, sewer system, and storm water drainage system for those 20 acres (“the Project”) among other improvements that will create opportunities for subsequent private sector development; and,

WHEREAS, full build-out of the 103-acre Vista Field site could lead to as many as 3,380 jobs, \$460 million in private sector investment, \$51 million in new infrastructure, and \$408 million in new buildings; and,

WHEREAS, the funds requested by the Port are critical in allowing commencement of the Project, and will foster sitewide vibrancy, leverage private sector development, and help transform the vacant, underutilized former airfield into an urban town center dotted with retail, commercial, residential, civic buildings, and public facilities that will foster tourism spending, attract young professionals, and provide balance to the regional economy; and,

WHEREAS, commercial redevelopment of Vista Field will positively impact sales, business & occupation, and property tax revenues for the local governments; and,

WHEREAS, the Port has requested \$500,000.00 for the Project from that portion of the Fund allocated by the County; to be used to reimburse the Port for Project expenses, with such funds being in addition to the contribution of other funds for the Project from other sources;

NOW THEREFORE, in consideration of the mutual covenants, conditions, and terms contained herein, the County and the Port mutually agree to the following:

1. Based on the Port's request for reimbursement from the Fund, the County agrees to reimburse the Port for up to Five Hundred Thousand Dollars (\$500,000.00) of qualified direct costs incurred by the Port for the Project *after* the execution of this Agreement; contingent upon: (i) such funds being less than the unspent amount of the Fund allocated to the Port; and (ii) that each reimbursement is consistent with the County's Rural County Capital Fund Disbursement Policy, dated January 31, 2017, which is incorporated herein by reference.
2. The Port represents that the use of revenues from the Fund for the Project is and will be consistent with RCW 82.14.370.
3. The Port agrees to use all funds allocated by this Agreement solely for the purpose of financing the Project and warrants that all expenditures by the Port for which it seeks reimbursement will comply with RCW 82.14.370.
4. The estimated Project schedule and a disbursement schedule are attached hereto as Exhibit A. The parties agree that funds will be disbursed only as reimbursement for actual, direct costs incurred by the Port in connection with the Project. The Port will keep the County informed of changes to the schedule as the Project progresses.
5. The Port shall invoice the County at the end of each calendar month for all Project costs incurred by the Port in the prior month that are eligible for and for which reimbursement is sought. All invoices shall be mailed to the County at the following address:

Benton County Commissioners Office
ATTN: Sustainable Development Manager
7122 West Okanogan Place
Kennewick, Washington 99336

6. All approved reimbursement payments will be made via check mailed directly to the Port at the following address:


Port of Kennewick
ATTN: Finance Director
350 Clover Island Drive Ste. 200
Kennewick, WA 99336

7. The Port shall not hold the County liable for any delay in disbursements, but the County agrees to use its best efforts to make appropriate disbursement payments to the Port in a reasonably timely fashion.

8. The Port shall be responsible for establishing policies for implementing this Agreement, monitoring progress of the Project, and monitoring the fulfillment of the Parties' responsibilities under the Agreement. In addition to other responsibilities set forth in this Agreement, the Port is responsible for following applicable bid and prevailing wage law policies and procedures when awarding bids for the Project contemplated by this Agreement.
9. The Port agrees to provide the County with a monthly report along with each invoice outlining the status of the Project, including a spreadsheet detailing all costs being reimbursed by the County.
10. If Rural County Capital Funds are applied by the Port toward non-eligible expenditures, the County may cease all disbursements and the Port shall repay to the County all monies inappropriately expended.
11. The records and documents with respect to all matters covered by this Agreement shall be subject to inspection by the parties during the term of this Agreement and for three years after its termination. This Agreement shall be filed by the Port with the Benton County Auditor.
12. It is not the intention that a separate legal entity be established with respect to the Project, nor is the joint acquisition, holding, or disposing of real or personal property anticipated.
13. The Port agrees to indemnify the County from and against any claims, actions, losses, costs, penalties, damages, attorneys' fees, and all other liabilities and costs of defense of any nature arising out of the County's agreement to disburse funds under this Agreement.
14. The Port shall not have the right to assign the rights under this Agreement nor to terminate its obligations hereunder without first securing the written consent of the County.
15. This Agreement shall terminate and the County's obligation to disburse funds under this Agreement shall cease at any time that any aspect of the Project falls thirty-six (36) months or more behind the schedule set forth in Exhibit A. In such case, the County's rights under this Agreement shall continue, but the County may use the funds previously allocated under this Agreement for any purpose allowable under state law. The County will make a good faith effort to notify the Port whenever it believes any aspect of the Project is thirty (30) months or more behind schedule and that the Agreement will terminate in six months' time thereafter under this provision; provided that maintaining the Project on schedule is the Port's responsibility and the Port shall have no recourse against the County if such notice is not provided.
16. This Agreement contains the entire, complete, and integrated statement of each and every term agreed-to by and between the Port and the County, and this Agreement supersedes any and all prior written and unwritten agreements and understandings pertaining to the Project.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date signed below.

BENTON COUNTY


Jerome Delvin, Commission Chairman


Date: 12-18-18

PORT OF KENNEWICK



Tim Arntzen, Chief Executive Officer

Date: 12/11/18

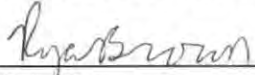
ATTEST:


Clerk to the Board

ATTEST:


Nick Kooiker, Chief Financial Officer & Auditor

APPROVED AS TO FORM:


Chief Deputy Prosecuting Attorney

APPROVED AS TO FORM:



Lucinda J. Luke, Port Counsel

EXHIBIT A

ESTIMATED PROJECT COMPLETION AND FUND DISBURSEMENT SCHEDULE FOR VISTA FIELD PHASE 1A CONSTRUCTION

Phase 1A is construction of a new roadway grid with all supporting utility infrastructure, including water delivery systems, sewerage systems, and a storm water relief drainage system. Benton County's participation will be in the form of contribution toward the costs of these three task areas as listed below in the table.

PHASE 1A CONSTRUCTION OF ROADS & UTILITIES TASKS	DISBURSEMENT					TASK TOTALS
	PROGRESS BILLING DATE					
	05/01/2019	06/01/2019	07/01/2019	08/01/2019	09/01/2019	
Construction of Storm Water Drainage System	\$50,000	\$50,000				\$100,000
Construction of Sewer System		\$50,000	\$50,000	\$100,000		\$200,000
Construction of Water System			\$50,000	\$50,000	\$100,000	\$200,000
Cumulative RCCF Contribution	\$50,000	\$100,000	\$100,000	\$150,000	\$100,000	\$500,000

PORT OF KENNEWICK

RESOLUTION 2018-26

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE PORT OF KENNEWICK ADOPTING THE CHIEF EXECUTIVE OFFICER'S DELEGATION OF AUTHORITY

WHEREAS, on December 8th, 2015 the Board of Commissioners approved the CEO's delegation of authority; and

WHEREAS, ESSB 6329 was passed in the 2018 legislative session, giving Port districts the direct authority to execute "On-Call" contracts; and

WHEREAS, ESSB 6329 also gave Port districts the ability to contract for small public works projects under \$40,000 without going through a formal small works bidding process; and

WHEREAS, both of these changes will save Port staff time and valuable taxpayer resources, so the Port Commission desires to change the CEO's Delegation of Authority approving these modifications; and

NOW, THEREFORE, BE IT RESOLVED that the Board of Commissioners of the Port of Kennewick hereby approves adopting the Chief Executive Officer Delegation of Authority, as identified in Attachment "A"; and

NOW, THEREFORE, BE IT FURTHER RESOLVED that the Board of Commissioners of the Port of Kennewick hereby rescinds Resolution 2015-29.

ADOPTED by the Board of Commissioners of the Port of Kennewick this 11th day of December, 2018.

***PORT OF KENNEWICK
BOARD OF COMMISSIONERS***

By: 


THOMAS MOAK, *President*

By: 

DON BARNES, *Vice President*

By: 

SKIP NOVAKOVICH, *Secretary*

	<p style="text-align: right;">ATTACHMENT A</p> <p style="text-align: center;">PORT OF KENNEWICK</p>	
	<p>CHIEF EXECUTIVE OFFICER DELEGATION OF AUTHORITY</p>	<p>COMMISSION POLICY NO.1</p>
	<p>Adopted by the Commission on December 8, 2015 Resolution 2015-29 Revised December 11, 2018. Resolution 2018-26</p>	<p>This policy removes and replaces all previous Port policies adopted which address the items identified within this policy. This policy cross references Port Commission Rules of Policy and Procedure and CEO's Procedures for Staff.</p>

PURPOSE AND AUTHORITY

The Port Commission establishes the Port of Kennewick's policy objectives and the rules governing its business transactions. The Commission retains an Executive Director, hereinafter referred to as "Chief Executive Officer" or "CEO" to conduct the Port's business consistent with the Commission's policies and rules. The Commission directs the CEO only by action of the Commission in its capacity as the Port's governing authority. For these purposes, unless the context indicates otherwise, the term "CEO" means the Port's "managing official" as the term is used from time to time in Title 53 RCW. The CEO is the chief executive officer, [along with his/her designee(s)], is appointed by the Port Commission to manage Port operations.

RCW 53.12.270 grants the Port Commission authority to delegate to the CEO "such administrative powers and duties of the Commission as it may deem proper for the efficient and proper management of Port District operations." Under these authorities and Resolution No. 2015-29 the Port Commission adopts this Policy delegating administrative powers and duties to the CEO of the Port and establishing guidelines and procedures to govern the CEO's responsibilities and exercising of delegated authority.

GENERAL DELEGATION OF AUTHORITY AND RESPONSIBILITY

Delegation of Authority

The CEO is responsible for the operation, maintenance, development, alteration, improvement, administration, and use of all Port real and personal property; all actions required for personnel administration; and all other actions essential to supporting the Port's mission. The CEO may take any action in the Port's best interests and within the Port's authorized budget necessary to resolve any matter related to the CEO's authority, including where not specifically addressed herein. Subject to the limitations in this Policy, other Port resolutions and policies, and applicable law, the CEO is responsible for:

- Operation, maintenance, administration, and use of Port facilities and other properties.
- Development of industrial districts.

- Implementation of construction work, alterations and improvements to Port facilities and other properties.
- Administration of all day-to-day Port operations.
- Execution of contracts and other documents related to Port operations that are authorized by this Policy or otherwise approved by the Commission.
- Applications for permits associated with Port facilities or projects.
- Applications for and acceptance of grants or other funds from federal, state, and local governments, consistent with actions described in this Policy.

Consultation with Commission

The CEO must regularly inform and consult with the Commission regarding the Port's significant business transactions. Unless otherwise permitted or ratified, the CEO must inform the Commission promptly following all significant actions authorized by this Policy.

Staff Delegations

The CEO may retain administrative staff to operate and manage the Port under the CEO's directives. Consistent with Port policies, the CEO may further delegate to appropriate Port staff any administrative authority or responsibility delegated to the CEO by the Port Commission to further efficient and proper Port administration.


2. Rules and Procedures

The CEO may adopt administrative rules, regulations, and procedures necessary to carry out this Policy and for the efficient and proper operation of the Port. The Commission provides CEO the Express Delegation of Authority and Limitations attached hereto and incorporated herein by reference, as follows:

EXPRESS DELEGATION OF AUTHORITY AND LIMITATIONS

Part 1.0	LEASE OF REAL AND PERSONAL PROPERTY
Part 2.0	REAL PROPERTY PURCHASES AND SALES
Part 3.0	CONTRACTS FOR PERFORMANCE OF WORK
Part 4.0	PERFORMANCE OF WORK BY PORT STAFF OVER \$40,000
Part 5.0	ACQUISITION OF MATERIALS, EQUIPMENT, AND SERVICES
Part 6.0	UNCOLLECTIBLE ACCOUNTS, SETTLEMENTS OF CLAIMS, AND LITIGATION

Part 7.0	CREDIT CARDS
Part 8.0	COMMERCIAL INSURANCE
Part 9.0	TREASURER AND PETTY CASH ACCOUNTS
Part 10.0	TRAVEL AND VEHICLE
Part 11.0	PORT HOLIDAYS, PAID TIME OFF, LEAVE, AND BENEFITS
Part 12.0	STANDARDS OF CONDUCT
Part 13.0	DRUG, ALCOHOL, AND VIOLENCE FREE WORKPLACE
Part 14.0	WHISTLEBLOWER ACT
Part 15.0	DISCIPLINE
Part 16.0	RECOGNITION, AWARDS, AND TEAM BUILDING POLICY
Part 17.0	WORKING MEALS
Part 18.0	PROMOTIONAL HOSTING
Part 19.0	FRAUD PREVENTION AND ETHICS
Part 20.0	PROGRAMS AND PROCEDURES
Part 21.0	MISCELLANEOUS
Part 22.0	AFFIRMATIVE ACTION AND EQUAL EMPLOYMENT
Part 23.0	FIXED ASSETS
Part 24.0	RECORDS OFFICER
Part 25.0	PORT AUDITOR AND ATTORNEY
Part 26.0	BUDGET, FINANCIAL, AND OPERATIONAL PHILOSOPHY

	PORT OF KENNEWICK	
	Chief Executive Officer Delegation of Authority	
	LEASES OF REAL AND PERSONAL PROPERTY	Part 1.0
	Adopted by the Commission on December 8, 2015 Resolution 2015-29	Cross Reference CEO's Procedures for Staff Part 1.0

1.0 LEASES OF REAL AND PERSONAL PROPERTY

1.1 General Lease of Real and Personal Property Policy.

- 1.1.1** Except as otherwise provided herein, all real and personal property belonging to the Port (when available for leasing), must be leased under an appropriate written lease executed in accordance with RCW 53.08.080;
- 1.1.2** The amount of rental must be fair rent for the property based on CEO developed procedures of determining fair rent value;
- 1.1.3** The lease must state the use to which the property may be put by the tenant, which must be consistent with the Port's standards of use;
- 1.1.4** A legally sufficient standardized lease agreement will be used on all leases unless an alternative lease agreement is utilized that undergoes a legally sufficient review procedure;
- 1.1.5** Comply with and take necessary measures to ensure compliance or to protect the Port's legal position including but not limited to obtaining security for the performance of each lease and securing rental insurance or other insurance coverage required for leases (see RCW 53.08.085); and
- 1.1.6** The CEO must ensure that all terms are complied with and take all necessary measures to cause compliance or to otherwise protect the Port's rights under each lease, including without limitation by giving of all notices provided for in each lease.

1.2 Leases Executed by the Commission. The following leases will be submitted to the Commission for approval:

- 1.2.1** Leases in which the term of the lease, including any renewal options, exceeds five years; or

- 1.2.2 Leases in which the total monthly rental amount exceeds \$5,000 per month (excluding LET, utilities, and other ancillary items).
- 1.3 **Leases Executed by the CEO.** Except as provided above, the CEO authorized to approve all other leases.

2.0 COMMISSION ON LEASES OF REAL AND PERSONAL PROPERTY

- 2.1 **General Lease of Real and Personal Property Policy.** The Port of Kennewick desires to use all available resources to market Port real property to its maximum potential. Use of licensed real estate professionals/brokers may foster more economic development opportunities. When it is desirable to secure the services of a real estate professional or broker, the terms and conditions for the lease of Port property will be as follows:


- 2.2 **Lease of Real Property (Excluding Marina)**

- 2.2.1 **Licensed Real Estate/Broker.** All real estate professionals and brokers whom the Port conducts business with must be licensed in the State of Washington.
- 2.2.2 **Lease Approval.** Real Estate Professional/Broker does not have lease approval authority but can negotiate on the behalf of the Port in a non-binding manner. All final terms and conditions will be reviewed by the CEO for compliance with the laws, regulations, Port policies and procedures.
- 2.2.3 **Commission.** The rate of commission will not exceed five (5%) percent of the net lease payments for the first five years and two and a half (2.5%) percent of the net lease payments for the second five years. Net lease payments are gross lease payment less applicable fees such as concession fees, triple net, common area maintenance charges, leasehold taxes, leasehold improvements or amortization of improvements, and delinquent rent payments.
- 2.2.4 **Statement.** Real Estate Professional/Broker must supply the Port with a written statement of details on potential lead(s), date lead was obtained and introduced to Port staff, any potential financial interest Real Estate Professional/Broker may have with the lead, and a signed statement regarding conflicts of interests.
- 2.2.5 **Payment of Commission.**
 - 2.2.5.1 **Month-to-Month, Annual, and Multi-Year Leases:** If tenant has current payment status and still occupies the leased space, commission is calculated based on the following:

- A. One-half of the first twelve months of net lease payments will be paid after six months of the fully executed lease effective date.
- B. The remaining one-half of the first twelve months commission will be paid at the end of twelve months from the fully executed lease effective date.
- C. From then on, commission will be paid annually at the year end and based on the rents collected.
- D. If lessee terminates lease early, payment of commission will be paid through the lease termination date.

All commission payments are subject to the Port's check processing procedures.

2.2.5.2 Existing Tenants. Commission will not be paid on leases involving existing tenants for new leases, renewals, or options exercised.

	PORT OF KENNEWICK	
	Chief Executive Officer Delegation of Authority	
	REAL OR PERSONAL PROPERTY PURCHASES AND SALES	Part 2.0
	Adopted by the Commission on December 8, 2015 Resolution 2015-29	Cross Reference CEO's Procedures for Staff Part 2.0

1. REAL OR PERSONAL PROPERTY PURCHASES AND SALES

The CEO may offer to purchase real property without prior Commission approval, provided that each offer expressly indicates that it is subject to Commission approval. When the Commission authorizes the acquisition of real property by purchase, the CEO must take all necessary steps, including without limitation by obtaining appraisals, to secure title to the property for the Port. *See RCW 53.08.010-.020.*

When the Commission authorizes the sale of real property, the CEO must take all necessary steps to complete the transaction, including without limitation by accepting deposits, opening escrow, and signing all necessary documents. *See RCW 53.08.090-.092.*

The CEO may approve and sign the following easements and covenants over Port property: (1) those easements and covenants that benefit the Port (e.g., utility easements); and (2) all other easements and covenants that do not exceed a term of two years and where the interest granted does not substantially interfere with the Port's use of the property or the property's fair market value. All other easements and covenants exceeding two years must be approved by the Port Commission.

- 1.1. Not for Speculation.** Port-owned real property will only be sold for identifiable, immediate development and not for speculative purposes. To serve this goal, most sales will include a repurchase option in favor of the Port in the event identified development does not occur in a timely manner.
- 1.2. Onerous Contingencies.** The Port discourages onerous contingencies (e.g. long-term options, first rights of refusal, etc.), and such contingencies will be accepted only in exceptional circumstances.
- 1.3. "As Is".** All Port property will be sold "AS IS" unless otherwise approved by Port Commission.
- 1.4. Offers.** No Port real property will be sold or reserved unless the Port has received a valid offer on a Port standardized purchase and sale agreement, and such

agreement is submitted and approved by the Port Commission in a public meeting. A legally sufficient review procedure shall be utilized if there are material exceptions to the Port standardized purchase and sale agreement. Until approval by the Port Commission, all property designated as “for sale” will remain for sale. The CEO is authorized to accept and make offers on real or personal property without prior Commission approval, provided that such offers clearly indicate the offer is subject to approval of the Commission or other similar language. The CEO will take all necessary steps, if applicable (e.g. securing appraisals, title searches, surveys, environmental reviews, deposits, escrow, or signing all necessary documents after Commission approval).

- 1.5. Determining Price.** The CEO will develop a procedure for and make a reasonable determination of fair market value for property designated as available for sale before the purchase and sale agreement is presented to the Commission for approval.

The Port Commission may choose to sell Port-owned properties for less than fair market value, on a case-by-case basis, if the Port deems the business decision is not be considered a gift of public funds by a reasonable auditor (e.g. State Auditor’s guidance on gifting of public funds was reviewed and the Port determined the land sale is not a gift of public funds due to aiding in a general Port purpose and goals).

- 1.6. Prior Inspection.** All prospects are encouraged to meet with the jurisdictional City or County staff to review the proposed site conditions (e.g. zoning, servicing, topography, grading, history of the property, existing neighbors, etc.) prior to submitting an offer to the Port.
- 1.7. Port Staff Assistance.** Port staff will offer reasonable assistance to prospective purchasers of Port “for sale” real property pursuant to this policy (e.g. providing property information and tours of “for sale” property). Staff assistance will not be deemed to reserve any parcel of real property for any party, nor will staff assistance be deemed a commitment in any way whatsoever with respect to any Port real property.
- 1.8. Submission of Offer to Purchase by Prospective Purchaser.** Offers to purchase Port property will be submitted by the prospective purchaser to Port staff in writing and dated. A valid offer must be signed upon submission and contain all information set forth below. Non-complying offers will be returned without processing:
- a. Identify the full legal name of the purchasing party and be executed by the purchasing party or its authorized representative;
 - b. Contain a check for earnest money in a sum of not less than 5% of the offer price (in no case less than \$5,000);

- c. Contain a separate non-refundable administrative processing fee of \$500 for all parcels where the proposed purchase price is less than \$500,000 and \$1,000 for all parcels where the proposed purchase price is \$500,000 or greater;
- d. Identify the party to use and occupy the property, if different from the offering party;
- e. Legally describe the property subject to the offer;
- f. Indicate the total offer price;
- g. Indicate any terms for payment of purchase price;
- h. Identify any proposed contingencies;
- i. Identify a proposed closing date;
- j. Detail the proposed use of the property and timing for any construction or development;
- k. Identify size and type of building to be erected, if applicable;
- l. Identify anticipated number of employees with approximate wage levels;
- m. Indicate whether or not any new positions will be created as a result of the real property purchase, and if so, indicate number of new employees with approximate wage levels;

Interested parties must submit offers using a Purchase and Sale Agreement in Port approved format as developed by the Port attorney, CEO, and CFO. If the interested party does not use the Port approved agreement, the interested party will pay the Port for all out of pocket cost associated with review. Staff will review the offer with the offeror to ensure that the offeror has submitted all the information as required. Port staff will present the offer to the Port CEO with a brief oral summary of the offer. The CEO may send the offer back to the offeror for additional information or may proceed to present the offer to the Port Commission as set forth in this policy.

1.9. Presentation of Offer to Port Commission. When the CEO determines that an offer complies with the requirements of this policy, the CEO will submit the offer to the Port Commission for its consideration in due course (usually within 30 days of the submission of the offer to staff). Additionally the CEO will make a written recommendation to the Commission (except in cases of unusual circumstances, in which cases the CEO's recommendation to the Commission may be oral). The CEO's recommendation will request that the Commission accept the offer, reject the offer, present a counter offer or table the offer. The CEO will not sign any proposed offer until approved by the Port Commission by formal resolution.

1.10. Action on the Offer by Port Commission. Offers will be evaluated by the Port Commission based upon the criteria set forth above. If there are competing offers, either of which may be acceptable if made separately, the Port Commission may select the offer it believes best serves the goals of the Port. The Port Commission may reject any or all offers. The Commission will respond to

the offer through the CEO, who will communicate the response to the prospective purchaser as soon as practicable. Any action on an offer will only be made by official action of the Port Commission at a Commission meeting.

1.10.1.1. Acceptance of Offers. Within 10 days of the Port's acceptance of an offer, the CEO will sign and accept the offer on behalf of the Port Commission. The executed agreement and deposited earnest money will be transmitted to the closing agent designated in the offer. The property subject to the offer will not be removed from the "for sale" list, but will be marked with a 'sale pending' designation.

1.10.1.2. Rejection of Offers. If the Port Commission rejects an offer, the offer will immediately be null and void and of no force and effect. Earnest money will be refunded less processing fee.

1.10.1.3. Tabling of Offers. The Port Commission may table an offer to be reviewed at a later date.

2. COMMISSION STRUCTURE FOR LICENSED BROKERS.

Commissions will only be paid to licensed real estate brokers. The broker must submit a signed bona fide offer plus a signed appointment from the potential purchaser authorizing the broker to negotiate for the potential purchaser in order to claim the commission. The broker authorization must include the name of the proposed purchaser and the date of their first contact with said purchaser. Unless the provision is strictly complied with, the Port will not pay any claimed commission.

2.1.1. After final approval of the sale by the Port Commission and after receipt of all funds due at closing, the Port of Kennewick will pay to the licensed real estate broker negotiating any such sale a commission based on the following schedule:


A. SALES OF UNIMPROVED REAL PROPERTY (Bare Land)

- | | |
|---------------------------------------|-------------------|
| 1. On the first \$500,000 of any sale | Seven (7) percent |
| 2. On the next \$500,000 of any sale | Five (5) percent |
| 3. On any amount over \$1,000,000 | Three (3) percent |

B. SALES OF IMPROVED REAL PROPERTY (With Structure)

- | | |
|---------------------------------------|-------------------|
| 1. On the first \$500,000 of any sale | Five (5) percent |
| 2. On the next \$500,000 of any sale | Five (5) percent |
| 3. On any amount over \$1,000,000 | Three (3) percent |

If payment is to be made in installments on any sale, the commission will be paid as each principal installment is received, in the percentage thereof of the principal balance applicable to the sale. The commission paid on any sale will only be on the basic price of the land sold excluding any Local Improvement District assessments, any taxes or liens against such sales, including excise tax.

	PORT OF KENNEWICK	
	Chief Executive Officer Delegation of Authority	
	CONTRACTS FOR PERFORMANCE OF WORK	Part 3.0
	Adopted by the Commission on December 8, 2015 Resolution 2015-29	Cross Reference CEO's Procedures for Staff Part 3.0 and Part 6.0

1.0 CONTRACTS FOR PERFORMANCE OF WORK

The CEO may, without prior Commission approval, execute contracts for work where the total contract does not exceed \$200,000 a year and as so long as all laws, regulations, and Port approved budget are followed. On contracts over the \$200,000 the CEO may complete and sign all necessary documents after Commission approval.

The CEO will develop procedures to ensure compliance with laws, regulations, and this policy.

2.0 SMALL WORKS PROJECTS

- 2.1** The CEO may use the Small Works Roster process pursuant to RCW 39.04.155 for construction contracts up to \$300,000. Contracts over the above CEO's delegation of authority must be approved by the Commission.
- 2.2** The CEO may, without Commission approval, prepare plans and specifications; issue notices calling for bids; accept bids and contracts for work where the total contract price does not exceed \$300,000. The CEO must ensure the requirements of RCW 53.08.120 are met and that the work is within the project's authorized budget.
- 2.3** The Small Works Roster is a listing of all responsible contractors who have requested to be on the list, and are properly licensed or registered to perform such work in this state. The Port can use other governmental Small Works Rosters that are in compliance with the applicable laws and regulations.
- 2.4** The term "public work" will include all work, construction, alteration, repair, or improvement executed at the cost of the Port of Kennewick, or which is by law a lien or charge on any property therein.
- 2.5** A written determination of the bid award will be kept on file, made available for public inspection, and retained in accordance with records management laws.

- 2.6** Pursuant to RCW 39.04.155, the breaking of any project into individual units of work or in phases is prohibited if it is done for the purpose of avoiding the \$300,000 limitations.

3.0 ON-CALL/UNIT BASED CONTRACTING

- 3.1** “On Call” contracting is permitted as allowed by RCW 53.08.120.
- 3.2** The CEO will establish procedures to ensure compliance with RCW 53.08.120 and applicable bid laws.

4.0 FORMAL SEALED BID PROJECTS

- 4.1** Projects costing more than \$300,000 must follow the formal sealed bid laws and be approved by Commission in a public meeting.
- 4.2** The CEO will establish procedures to ensure compliance with formal sealed bid laws.

5.0 NON-ARCHITECTUAL AND NON-ENGINEERING SERVICES

- 5.1** The CEO may contract out and develop procedures for procurement of professional, personal, technical, or purchased services in accordance with RCW 53.19.
- 5.2** The Port Commission must approve service contracts in excess of \$200,000.
- 5.3** Amounts above \$50,000 but less than \$200,000 are subject to competitive bid requirements. Contracts over \$50,000 must have proper documentation showing the Port staff delegated by the CEO made attempts to identify potential consultants for inviting to bid on Port projects.
- 5.4** Contracts in excess of \$200,000 require a request for proposal process.
- 5.5** Regardless of amount, if the value of a contract amendment or amendments exceeds 50% of the value of the original contract, the amendment must be filed with the Commission and made available for public inspection prior to the proposed starting date of services under the amendment.
- 5.6** Regardless of amount, substantial changes in the scope of work specified in the contract or which are substantial additions to the scope of work specified in the formal solicitation document must be submitted to the Commission for this is required even if the original contract did not require Commission approval.
- 5.7** Regardless of amount, all services listed within this section must have a documented scope of work or services to be performed.

- 5.8** Port Commission exempts the following services from competitive bid process as allowed by RCW 53.19.20 since the Commission deems competitive solicitation process is not appropriate for services that deal with high risk areas, special education, and experience: Human resource, legal, information technology, marketing, project management, writing, accounting, financial, lobbyist, or bookkeeping services.

6.0 ARCHITECTUAL AND ENGINEERING (A&E) SERVICES

- 6.1** The CEO is authorized to procure A&E services in accordance with RCW 39.80.010-60 that do not exceed the purchasing limit set by Commission.
- 6.2** The statute requires advance notice of the requirement for professional services (39.80.030), evaluation of firms' qualifications and performance (39.80.040), and negotiation with firms in accordance with adjudged qualifications (39.80.050).
- 6.3** Contracts for services cannot be broken into multiple agreements to avoid compliance with this policy or State statutes.

7.0 CHANGE ORDERS.

Note: Non-A&E change orders and scope changes must follow the law as outlined in section 4.0 above.

When circumstances require individual changes in plans or specifications to properly accomplish contracted work, the CEO may, without prior Commission approval, execute individual change orders to a contract if the following conditions are met:


- 7.1** The change order will not exceed \$100,000;
- 7.2** The contract for work authorizes change orders;
- 7.3** The change order is reviewed for possible audit issues;
- 7.4** The total cost of all approved change orders, when added to the contract cost, remains within the project's authorized budget and applicable procurement laws; and
- 7.5** The change order is validated or certified by the project architect, engineer, or Port project manager as necessary to the proper accomplishment of the project.

8.0 EXEMPTIONS TO COMPETITIVE BIDDING

- 8.1 EMERGENCY.** When an emergency that poses or may pose a threat to life or property requires the immediate execution of a contract for work or professional or personal services, the CEO may make a finding of the existence of an emergency and may execute any contracts necessary to respond to the emergency. The CEO must follow the procedures set forth in RCW 39.04.020, 39.04.280,


53.19.010, 53.19.030 and other applicable laws, as the case may be and as each may be amended or recodified. At the first Commission meeting following the CEO's finding of emergency, the CEO must request Commission ratification of that finding and any contracts awarded or executed pursuant to that finding. To the extent practical, the CEO must continuously advise the Commission of the emergency's development and the progress of any contracts executed to remedy the emergency.

- 8.2 Special Facilities.** For procurement of special facilities or due to market conditions the CEO has the authority to develop procedures in accordance with the law and regulations and approve procurement up to the delegation of authority.
- 8.3 Sole Source Procurement.** If, after conducting a good faith review of available resources, the Port determines that there is only one source of the required services, materials, supplies, or equipment; a contract may be awarded without a competitive bid process. The CEO will develop procedures to ensure compliance with the laws and regulations
- 8.4 Special Market Conditions.** The CEO can consider waiving established bidding requirements up to the delegation of authority if an opportunity arises to purchase favorably-priced equipment, supplies, or used goods at an auction. The CEO will develop procedures to ensure compliance with laws and regulations.
- 8.5 Public Works under \$40,000.** The CEO will establish procedures for completion of public works projects estimated under \$40,000, pursuant to RCW 53.08.120.

	PORT OF KENNEWICK		
	Chief Executive Officer Delegation of Authority		
	PERFORMANCE OF CONSTRUCTION WORK BY PORT STAFF OVER \$40,000	Part 4.0	
	Adopted by the Commission on December 8, 2015 Resolution 2015-29	Cross Reference CEO's Procedures for Staff Part 4.0	


PERFORMANCE OF CONSTRUCTION WORK BY PORT STAFF.

Prior Commission approval is not required for any construction project performed by Port staff or inmate work crews. However, in accordance with RCW 53.08.135, construction projects over \$40,000 must be contracted out if it's deemed less expensive than using Port staff or inmate work crews. No written determination is required as Commission deems all construction projects over \$40,000 less expensive to contract out due to the potential hindrance of staff essential duties. Port staff can perform construction projects over \$40,000 if CEO deems essential duties can be performed and is cheaper to perform the construction project with staff or inmate work crews.

	PORT OF KENNEWICK	
	Chief Executive Officer Delegation of Authority	
	ACQUISITION OF MATERIALS, EQUIPMENT, AND SERVICES	Part 5.0
	Adopted by the Commission on December 8, 2015 Resolution 2015-29	Cross Reference CEO's Procedures for Staff Part 5.0

CONTRACTS FOR ACQUISITION OF MATERIALS, EQUIPMENT AND SERVICES.

The CEO may acquire, without prior Commission approval, utilities, materials, equipment, supplies and services (including services provided by public agencies) on the open market, pursuant to published rates or by competitive bidding when required by law for the normal maintenance and operations of the Port. Acquisitions must, where appropriate, be approved as a part of normal monthly expenses and must be within the project's authorized budget.

	PORT OF KENNEWICK	
	Chief Executive Officer Delegation of Authority	
	UNCOLLECTIBLE ACCOUNTS, SETTLEMENTS OF CLAIMS, AND LITIGATION.	Part 6.0
	Adopted by the Commission on December 8, 2015 Resolution 2015-29	Cross Reference CEO's Procedures for Staff Part 7.0, Part 9.0, and Part 10.0

1.0 UNCOLLECTIBLE ACCOUNTS AND SETTLEMENTS OF CLAIMS

The CEO may write off any uncollectible account not exceeding \$10,000, subject to the following:

- 1.1** The CEO will be satisfied that reasonable effort has been made by the Port to collect the account prior to a write off.
- 1.2** In appropriate circumstances, the CEO is allowed to take necessary action in a court of law or assignment to a collection agency for the purposes of attempting to collect the delinquent account.

2.0 ADJUSTMENT AND SETTLEMENT OF CLAIMS


The CEO is responsible for directing the Port objectives in litigation, hiring experts as deemed necessary, and may settle claims where the amount in controversy does not exceed \$50,000 and ensure the following:

- 2.1** A proper written notice has been served to the Port by the claimant and the Port's insurance will not cover the claim; and
- 2.2** There is a substantial likelihood that the Port is or will be found liable and:
 - 2.2.1** There is a likelihood that a judgment rendered in the case would be in the amount claimed or higher; or

- 2.2.2 There is a likelihood that the expenses involved in litigation would be significant in relation to the amount claimed.

3.0 AUTHORITY TO RESOLVE ALL OTHER ISSUES

The CEO may take actions necessary to resolve any matter not specifically addressed herein that do not exceed \$50,000.


	PORT OF KENNEWICK	
	Chief Executive Officer Delegation of Authority	
	CREDIT CARDS	Part 7.0
	Adopted by the Commission on December 8, 2015 Resolution 2015-29	Cross Reference CEO's Procedures for Staff Part 8.0

1.0 CREDIT CARDS

RCW 43.09.2855 authorizes local governments to issue purchase cards for official government purchases and acquisitions. The CEO is authorized to issue purchase cards to staff and develop procedures to ensure compliance with the applicable laws, regulations, and this policy.


- 1.1. Credit card limits may not exceed \$15,000.
- 1.2. The CEO will maintain a schedule of Port credit cards, lines of credit, the users, along with corresponding credit limits, approval amounts, and such other schedules or procedures determined necessary.
- 1.3. All purchase(s), regardless of amount, must be for valid, authorized Port operations. The Port will seek reimbursement from the responsible approved cardholder for any non-Port purchase(s). Port employees, when submitting expense support for the valid use of authorized Port operations, will use proper documentation requirements as approved by the CEO.
- 1.4. An approved cardholder agrees that the Port has a right to withhold any and all funds payable to the approved cardholder from compensation or other payments from invalid or unauthorized purchase by the approved cardholder, and will have a lien for such right against other sources of funds. The Port can collect late fees and interest in the event the employee causes delay of payment. Cardholders who have been issued a credit card by the Port may not use the card if any disallowed charges are outstanding and must surrender the card upon demand by the CEO.

- 1.5. The CEO may, at any time, revoke the use of any Port credit card for any reason or no reason. Upon delivery of the revocation order to the credit card company, the Port will cease to be liable for any costs associated with the credit card.
- 1.6. Payments must follow the standard payment processing procedures and presented at the next reasonably possible Commission meeting.
- 1.7. Cash advances are prohibited.

	PORT OF KENNEWICK		
	Chief Executive Officer Delegation of Authority		
	COMMERCIAL INSURANCE	Part 8.0	
	Adopted by the Commission on December 8, 2015 Resolution 2015-29	Cross Reference CEO's Procedures for Staff Part 11.0	

1.0 COMMERCIAL INSURANCE

- 1.1 The CEO may negotiate and obtain appropriate policies of insurance to cover all aspects of Port property and operations within a comprehensive insurance program.
- 1.2 The CEO is authorized to approve, from time to time, changes or modifications within the policies of insurance so long as the changes are appropriate to manage the Port's risks.
- 1.3 The CEO is authorized to elect to utilize self-insurance and to amend deductible provisions, as deemed in the best interest of the Port.


	PORT OF KENNEWICK		
	Chief Executive Officer Delegation of Authority		
	TREASURER AND PETTY CASH ACCOUNTS	Part 9.0	
	Adopted by the Commission on December 8, 2015 Resolution 2015-29	Cross Reference CEO's Procedures for Staff Part 12.0	

1.0 TREASURER AND PETTY CASH ACCOUNTS

The CEO is authorized to direct the investments of Port funds in accordance with applicable laws and regulations as well as open up the necessary and legal accounts in order to properly manage the Port's operations and finances.


2.0 SIGNING AUTHORITY

The Port Auditor is required by law to sign and certify all checks, wire transfer, EFT's, and similar financial institution transactions. The Commission authorizes the Port Auditor to certify and sign all checks, wire transfers, EFT's and similar financial institution transactions necessary to properly manage the Port's operations and finances provided that a warrant register is provided to the Commission to sign and ratify at the next regular meeting. Furthermore, the Port Auditor needs to ensure that proper internal controls are in place to prevent fraud and waste in accordance with guidance provided by the Washington State Auditor's Office (SAO).

	PORT OF KENNEWICK	
	Chief Executive Officer Delegation of Authority	
	TRAVEL AND VEHICLE	Part 10.0
	Adopted by the Commission on December 8, 2015 Resolution 2015-29	Cross Reference CEO's Procedures for Staff Part 14.0


TRAVEL

The CEO is authorized to approve, without prior authorization of the Commission, travel by employees and/or other authorized representatives of the Port for the purpose of valid Port travel that is within the approved budget. The CEO will develop procedures to ensure compliance with the laws and regulations (*see* RCW 42.24.080-160 and RCW 53.08.175-176).

	PORT OF KENNEWICK	
	Chief Executive Officer Delegation of Authority	
	PORT HOLIDAYS, PAID TIME OFF, LEAVE, AND BENEFITS,	Part 11.0
	Adopted by the Commission on December 8, 2015 Resolution 2015-29	Cross Reference CEO's Procedures for Staff Part 15.0, Part 16.0, and Part 17.0

PORT HOLIDAYS, PAID TIME OFF, LEAVE AND BENEFITS


The CEO is authorized to manage employees' holidays, paid time off ("PTO"), leave, and benefits as deemed necessary to hire and retain Port staff and in accordance with applicable laws. The CEO will develop procedures to properly document employee holidays, PTO, leave, and benefits.

	PORT OF KENNEWICK	
	Chief Executive Officer Delegation of Authority	
	STANDARDS OF CONDUCT	Part 12.0
	Adopted by the Commission on December 8, 2015 Resolution 2015-29	Cross Reference CEO's Procedures for Staff Part 18.0

1.0 STANDARDS OF CONDUCT

All employees should act professionally and in the best interests of the Port at all times. Violations of the Port's standards of conduct are unacceptable and may result in discipline, up to and including immediate termination. The CEO will develop standards of conduct for the Executive and Port staff. The standards of conduct will set forth that, at a minimum, the following types of conduct that are not acceptable:

- 1.1** Abusive language or unprofessional conduct toward another person
- 1.2** Covert recording
- 1.3** Falsifying or inaccurately completing records, including employment applications or time sheets
- 1.4** Harassment or discrimination of any nature
- 1.5** Inappropriate dress or poor grooming
- 1.6** Insubordination or failure to carry out instructions
- 1.7** Misusing, destroying, or purposely damaging Port property or property of an employee
- 1.8** Performance that does not meet Port requirements
- 1.9** Tardiness or absenteeism
- 1.10** Theft of Port property or property of an employee or tenant
- 1.11** Unauthorized use or release of confidential information
- 1.12** Unprofessional conduct
- 1.13** Using work time for personal activities
- 1.14** Using, possessing, manufacturing, distributing, being under the influence of any controlled substance, alcohol or cannabis, or smelling of alcohol, cannabis, or controlled substance, while engaging in Port business, or during working hours or while on Port premises.


	PORT OF KENNEWICK		
	Chief Executive Officer Delegation of Authority		
	DRUG, ALCOHOL, AND VIOLENCE FREE WORKPLACE		Part 13.0
	Adopted by the Commission on December 8, 2015 Resolution 2015-29		Cross Reference CEO's Procedures for Staff Part 19.0

1.0 VIOLENCE FREE WORKPLACE

The Port and its employees share responsibility for the provision of a safe and secure work environment for all employees. In order to ensure workplace safety and provide for each employee's dignity, the CEO will establish a policy of zero tolerance for violence and take appropriate action, up to and including, immediate termination, against anyone who engages in threatening or violent behavior.


2.0 DRUG AND ALCOHOL FREE WORKPLACE

The Port maintains a drug and alcohol-free workplace. The possession, manufacture, distribution, dispensation, use or trafficking of alcohol, cannabis or controlled substances or smelling of alcohol, cannabis or controlled substance in the workplace, while on Port premises, while engaging in Port business, or during working hours, poses unacceptable risks to the safe, secure, and efficient operation of the Port and are strictly prohibited. The CEO will establish a policy of zero tolerance with employees violating the policy and take appropriate action, up to and including, immediate termination. Port-sponsored events and promotional hosting events may allow for limited amount of alcohol to be served as may be authorized by the CEO (see Promotional Hosting, Part 18.0, below).

	PORT OF KENNEWICK	
	Chief Executive Officer Delegation of Authority	
	WHISTLEBLOWER ACT	Part 14.0
	Adopted by the Commission on December 8, 2015 Resolution 2015-29	Cross Reference CEO's Procedures for Staff Part 20.0


WHISTLEBLOWER ACT

The Port strives to conduct its business in an open and law-abiding manner. Accordingly, employees are encouraged to bring to the attention of the Port (or other appropriate governmental official) any improper actions of Port officials and employees. The Port will not retaliate against any employee who makes a complaint of improper actions in good faith and in accordance with the procedures established by the CEO. The CEO will establish a procedure that is in compliance with the State's Local Government Whistleblower Protection Act, RCW 42.41.

	PORT OF KENNEWICK	
	Chief Executive Officer Delegation of Authority	
	DISCIPLINE	Part 15.0
	Adopted by the Commission on December 8, 2015 Resolution 2015-29	Cross Reference CEO's Procedures for Staff Part 21.0


DISCIPLINE

The Commission authorizes the CEO to develop discipline procedures that are consistently applied to all staff and that meet all applicable laws and regulations.

	PORT OF KENNEWICK	
	Chief Executive Officer Delegation of Authority	
	RECOGNITION, AWARDS, AND TEAM BUILDING POLICY	Part 16.0
	Adopted by the Commission on December 8, 2015 Resolution 2015-29	Cross Reference CEO's Procedures for Staff Part 22.0 and Part 23


RECOGNITION, AWARDS, AND TEAM BUILDING POLICY

The CEO is authorized to develop a flower, gift basket, gift card, employee awards, and team building procedure for employees, commissioners, or others with a connection to the Port, such as tenants, provided that flowers, gift basket or gift card will be presented only under special circumstances (e.g. awards, team building events, funerals, birthdays, etc.).

	PORT OF KENNEWICK	
	Chief Executive Officer Delegation of Authority	
	WORKING MEALS	Part 17.0
	Adopted by the Commission on December 8, 2015 Resolution 2015-29	Cross Reference CEO's Procedures for Staff Part 24.0

WORKING MEALS

On occasion it is necessary for the Port to provide working meals when staff or Commissioners are requested or required to work through meal periods. The CEO will develop procedures on how to carry out working meals for valid Port purposes on a reasonable and occasional basis.

	PORT OF KENNEWICK	
	Chief Executive Officer Delegation of Authority	
	PROMOTIONAL HOSTING	Part 18.0
	Adopted by the Commission on December 8, 2015 Resolution 2015-29	Cross Reference CEO's Procedures for Staff Part 25.0

1.0 PROMOTIONAL HOSTING

The Office of the Washington State Auditor, Division of Municipal Corporations, with the assistance of the Office of the Attorney General, produced “Bulletin No. 404” regarding promotional hosting guidelines for the expenditure of public funds under Article VIII, Section 8 of the Washington Constitution, RCW 53.36.120 through .150, and Account No. 8081 of the prescribed Uniform Systems of Accounts for Port Districts of the State of Washington.

Under these authorities, the Port Commission adopts this Policy to govern all Port-sponsored promotional hosting. In construing this Policy, reference must be made to Bulletin No. 404, attached and incorporated as terms of this Policy, and as may be amended.

The CEO is authorized to develop procedures for the Port’s promotional hosting expenditures. The promotional hosting procedures should include the minimum procedures:

- 2.1 “Promotional hosting” means furnishing customary meals, refreshments, lodging, and transportation, or any combination of these items, in connection with business meetings, social gatherings, and ceremonies honoring persons or events relating to the authorized business promotional activities of a Washington port district. Promotional hosting may also include, without limitation, reasonable, customary and incidental entertainment and souvenirs of nominal value incidental to such events.
- 2.2 The CEO must include within the approved budget an amount for promotional hosting, which is currently limited under RCW 53.36.130, as may be amended, to expenditures from the Port’s gross operating revenues and by other specific amounts. In instances where Port expenditure restrictions conflict with RCW 53.36.130, state law controls.
- 2.3 CEO may use promotional hosting funds to promote industrial development or trade within the Port. Expenditures of promotional hosting funds must be limited to supporting Port officials or employees in seeking opportunities to:
 - Market to individuals or organizations the use, continued use or increased use of Port services, facilities or properties.

- Persuade individuals or organizations to donate, supply or sell to the Port (on the best available terms) properties, facilities, services or information needed by the Port to achieve a betterment or improvement of the Port's existing operations, facilities or services.
- Persuade individuals or organizations to purchase, lease, or contract from or with the Port on terms most favorable to the Port in order that the Port may enter into transactions for the development, improvement or use of its properties and facilities in a manner most suitable to serve the Port's best interests.
- Persuade individuals or organizations to assist the Port in fostering the increased use of its services and facilities by improving transportation schedules, adding to existing transportation, services and facilities, adjusting rates, improving navigation or generally increasing and improving the scope and efficiency of Port operations so as to contribute to the growth of the Port's business.
- Beneficiaries of promotional hosting funds must be reasonably capable of influencing or controlling decisions with respect to the subject matters listed above, and each expenditure amount must be reasonable and appropriate in relation to the specific purpose of each incident of promotional hosting.

2.4 Reimbursements for promotional hosting expenditures must, to the extent feasible, be supported with appropriate receipts; detail the name and the business relationship of each person hosted; and, in general terms, identify the purpose of the expenditure. All payments and reimbursements must be identified and supported on vouchers supplied by the Port.


2.5 Reimbursement vouchers by Port Commissioners for promotional hosting expenditures will be paid only if specifically approved by the Port Commission. *See RCW 53.36.140.*

2.6 Without limitation, promotional hosting funds may not be used, and reimbursements will not be authorized, for the following activities or purposes:

- To influence the passage or defeat of any legislation by the legislature of the State of Washington, or the adoption or rejection of any rule, standard, rate or other legislative enactment of any agency of the State of Washington.
- For purposes not reasonably related in nature and amount to acquiring additional business or otherwise increasing and improving the scope and efficiency of the Port operations
- For the promotion of transactions prohibited under the conflict of interest statute, Chapter 42.23 RCW.

- For promotion of a benefit for the Port from an individual or an organization that is already legally, contractually or otherwise obligated to furnish that benefit to the Port.

2.7 Promotional hosting expenses will be approved by the Port auditor as required by RCW53.36.140.


	PORT OF KENNEWICK		
	Chief Executive Officer Delegation of Authority		
	FRAUD PREVENTION AND ETHICS	Part 19.0	
	Adopted by the Commission on December 8, 2015 Resolution 2015-29	Cross Reference CEO's Procedures for Staff Part 26.0	

FRAUD PREVENTION AND ETHICS

The Port defines the term “Fraud” as any wrongful or criminal deception intended to result in financial or personal gain. The Port of Kennewick has zero tolerance for fraud or any illegal activity.


The Port is committed to having a work atmosphere of fraud awareness, where its employees, which includes interns and volunteers, understand the indications of potential fraudulent or illegal activity and are supported when carrying out their responsibility to immediately report such activity.

The Port CEO will develop a procedure and facilitate timely notification of and take immediate action on any known or reported suspected loss of Port funds or assets, fraud or any illegal activity.

	PORT OF KENNEWICK	
	Chief Executive Officer Delegation of Authority	
	PROGRAMS AND PROCEDURES	Part 20.0
	Adopted by the Commission on December 8, 2015 Resolution 2015-29	Cross Reference CEO's Procedures for Staff Part 27.0 and Part 28.0

PROGRAMS AND PROCEDURES

The CEO is authorized to adopt any administrative programs and procedures necessary for the efficient operation of the Port.

	PORT OF KENNEWICK	
	Chief Executive Officer Delegation of Authority	
	MISCELLANEOUS	Part 21.0
	Adopted by the Commission on December 8, 2015 Resolution 2015-29	Cross Reference CEO's Procedures for Staff Part 13 and Part 29.0

1.0 ELECTIONS AND VOTING


The CEO is authorized to vote in all elections on behalf of the Port, where votes are tabulated based upon acreage owned.

2.0 TRADE DEVELOPMENT PROGRAMS

Consistent with the authorized budget and applicable law, the CEO may develop and carry out programs of trade development (which may include tourism and tourism promotion), advertising (including the use of advertising firms), and promotion of the Port, including its properties, facilities, and services. Trade development programs must be reviewed periodically by the Commission.


3.0 ISSUANCE OF TARIFFS

The CEO may issue tariff agreements, tariffs and tariff amendments as necessary.

	PORT OF KENNEWICK	
	Chief Executive Officer Delegation of Authority	
	AFFIRMATIVE ACTION AND EQUAL EMPLOYMENT POLICY	Part 22.0
	Adopted by the Commission on December 8, 2015 Resolution 2015-29	Cross Reference CEO's Procedures for Staff Part 30.0


AFFIRMATIVE ACTION AND EQUAL EMPLOYMENT

It is the policy of the Port to provide equal opportunity to the users of all Port services and facilities, all contracting entities, Port employees and applicants for employment, and to assure that there be absolutely no discrimination against any person based on any status protected by federal, state or local law including but not limited to race, creed, color, national origin, sex, sexual orientation, marital status, age, honorably discharged veteran or military status, or the presence of any sensory, mental or physical handicap or the use of a trained dog guide or service animal by a person with a disability unless, in the instance of employees and applicants for employment, based upon a bona fide occupational qualification. The CEO will develop and carry out procedures in accordance with applicable laws and regulations.

	PORT OF KENNEWICK	
	Chief Executive Officer Delegation of Authority	
	FIXED ASSETS	Part 23.0
	Adopted by the Commission on December 8, 2015 Resolution 2015-29	Cross Reference CEO's Procedures for Staff Part 32.0

FIXED ASSETS

The CEO has authority to set the Port's fixed asset capitalization and inventory requirements pursuant to generally accepted accounting principles.

	PORT OF KENNEWICK	
	Chief Executive Officer Delegation of Authority	
	RECORDS OFFICER	Part 24.0
	Adopted by the Commission on December 8, 2015 Resolution 2015-29	Cross Reference CEO's Procedures for Staff Part 33.0

1.0 RECORDS OFFICER


In accordance with RCW 40.14.040-070 the Port Commission appoints a Records Officer. The CEO will make a recommendation to the Port Commission for the person to be appointed to act in the capacity of Records Manager. The Records Manager will be selected during a public meeting and the Port's website will reflect the current Records Manager appointment by the Commission.

2.0 RECORDS COMMITTEE

The CEO will develop a records committee.

3.0 PROCEDURES

The CEO has authority to establish records procedures in accordance with applicable laws and regulations.


	PORT OF KENNEWICK	
	Chief Executive Officer Delegation of Authority	
	PORT AUDITOR AND ATTORNEY	Part 25.0
	Adopted by the Commission on December 8, 2015 Resolution 2015-29	

1.0 PORT AUDITOR

Cross reference Port Commission Rules of Policy and Procedure.

2.0 PORT ATTORNEY

Cross reference Port Commission Rules of Policy and Procedure.

	PORT OF KENNEWICK	
	Chief Executive Officer Delegation of Authority	
	BUDGET, FINANCIAL, & OPERATIONAL PHILOSOPHY	Part 26.0
	Adopted by the Commission on December 8, 2015 Resolution 2015-29	Cross Reference CEO's Procedures for Staff Part 36.0

BUDGET, FINANCIAL & OPERATIONAL PHILOSOPHY

Cross reference Port Commission Rules of Policy and Procedure.

PORT OF KENNEWICK

RESOLUTION 2018-27

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE PORT OF KENNEWICK ADOPTING THE BUDGET, FINANCIAL AND OPERATIONAL PHILOSOPHY

WHEREAS, on September 9, 2014 the Board of Commissioners approved a Budget, Financial and Operational Philosophy; and

WHEREAS, the Board of Commissioners desires to add to this policy with the addition of financial reserve requirements; and

NOW, THEREFORE, BE IT RESOLVED that the Board of Commissioners of the Port of Kennewick hereby adopts the Budget, Financial and Operational Philosophy (attached); and

NOW, THEREFORE, BE IT FURTHER RESOLVED that the Board of Commissioners of the Port of Kennewick hereby rescinds Resolution 2014-31.

ADOPTED by the Board of Commissioners of the Port of Kennewick this 11th day of December, 2018.

***PORT OF KENNEWICK
BOARD OF COMMISSIONERS***

By: 

THOMAS MOAK, *President*

By: 

DON BARNES, *Vice President*

By: 

SKIP NOVAKOVICH, *Secretary*

PORT OF KENNEWICK

BUDGET, FINANCIAL, & OPERATIONAL PHILOSOPHY

This Budget, Financial & Operational Philosophy assists port commissioners in their analyses of information; assisting them in making the assumptions and estimates required to formulate high quality, timely and fiscally-responsible financial and operational plans, resulting in a well-run port that increases community confidence in port leadership and meets the needs of district residents.

- Produce and maintain a balanced budget;
- Provide a fiscally sound approach to finances by ensuring that expenditures and debt repayments do not exceed available resources in current budget and future years impacted;
- Provide for financial stability by:
 - ✓ Funding projects that provide a positive return on investment or which provide important identifiable non-economic benefits to the port district at large;
 - ✓ Eliminating or transferring to private sector, holdings which provide minimal economic or community benefit;
 - ✓ Reducing costs and enhancing revenues when feasible while maintaining acceptable service levels;
 - ✓ Ensure the Port's portfolio includes diversity of revenue streams to offset risk adverse projects;
 - ✓ Accurately forecasting funding sources;
 - ✓ Creating successful strategies for capital acquisitions;
 - ✓ Closely monitoring and accurately reporting all revenues and expenditures;
 - ✓ Leveraging funds by seeking grants and matching funds from the public and private sectors;
 - ✓ Accurately and honestly identifying potential financial issues and providing feasible potential solutions;
 - ✓ Identifying and recommending potential improvements;
 - ✓ Learning and sharing ideas for improvement.
- Promoting fiscal responsibility among departments;
- Focusing on long-term financial planning;
- Support intergovernmental cooperation by partnering with entities which demonstrate support; (e.g. matching funds; previous successes; political and taxpayer support; and enthusiasm);
- Provide the public with high quality projects and services within a healthy work environment by encouraging efficiency, cooperation, honesty, integrity, and respect;

- Evaluate economic development opportunities based on results to be derived district-wide versus project-specific or jurisdiction-specific results;
- Acknowledge the Port's limited staff and financial resources;
- Establish a project ranking and selection process which focuses on producing a limited number of projects in order to ensure successful and timely implementation;
- Encourage open competition and equal project consideration, fostering a reputation for fairness with the local business community;
- Seek to fund projects with available resources;
- Incur debt only when both the level and rate of growth of public debt is fundamentally sustainable, can be serviced under appropriate circumstances while meeting cost and risk objectives, can withstand economic uncertainties, while identifying in advance any legal or commission-directed restrictions on its use;
- Maintain reserves of \$2.5M in order to ensure financial stability and mitigate any potential financial hardships. If reserve funds are utilized, funds must be replenished during the current or next budget cycle. The reserve fund may be used for the following:
 - ✓ Debt service;
 - ✓ Environmental pollution claims against the Port;
 - ✓ Unemployment Claims;
 - ✓ Paid Family & Medical Leave Claims;
 - ✓ Any other uses deemed necessary by the Commission
- Identify and report the return on investment (ROI) on projects as appropriate; and
- Share with the public port audited financial and operating data through print and online resources.

PORT OF KENNEWICK

RESOLUTION No. 2018-28

***A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE PORT OF
KENNEWICK AUTHORIZING A PURCHASE AND SALE AGREEMENT WITH
BENTON COUNTY FIRE DISTRICT #4***

WHEREAS, Benton County Fire District #4 (Purchaser), has offered to purchase approximately 2 acres of the area graphically depicted on "Exhibit A" at the Port of Kennewick's West Richland Industrial Site in West Richland, Washington from the Port of Kennewick (Seller) for \$10,000; and

WHEREAS, this transaction between two governmental agencies shall benefit the public and nearby port properties with enhanced fire safety protection through the construction of a new fire station by Benton County Fire District #4.

WHEREAS, the Port commission agrees to accept a \$1,000.00 earnest money deposit in lieu of the \$5,000.00 minimum earnest money deposit requirement per Resolution 2015-29 (Chief Executive Officer Delegation of Authority for Real or Personal Property Purchases and Sales, 1.8.b).

WHEREAS, Port staff and the Port attorney have reviewed the proposed Purchase and Sale Agreement and find it is in proper form and is in the Port's best interest; and

BE IT FURTHER RESOLVED that the Port Commission declares that said property is surplus to the Port's needs and the proposed sale as referenced above is consistent with all previous Port policies, including its Comprehensive Scheme of Development.

NOW, THEREFORE; BE IT HEREBY RESOLVED that the Board of Commissioners of the Port of Kennewick hereby authorizes the Port's Chief Executive Officer to execute a Purchase and Sale Agreement with Benton County Fire District #4 and hereby authorizes the Port's Chief Executive Officer to execute all documents and agreements on behalf of the Port to complete the transaction as specified above.

ADOPTED by the Board of Commissioners of the Port of Kennewick on the 11th day of December, 2018.

**PORT of KENNEWICK
BOARD of COMMISSIONERS**

By: 

THOMAS MOAK, President

By: 

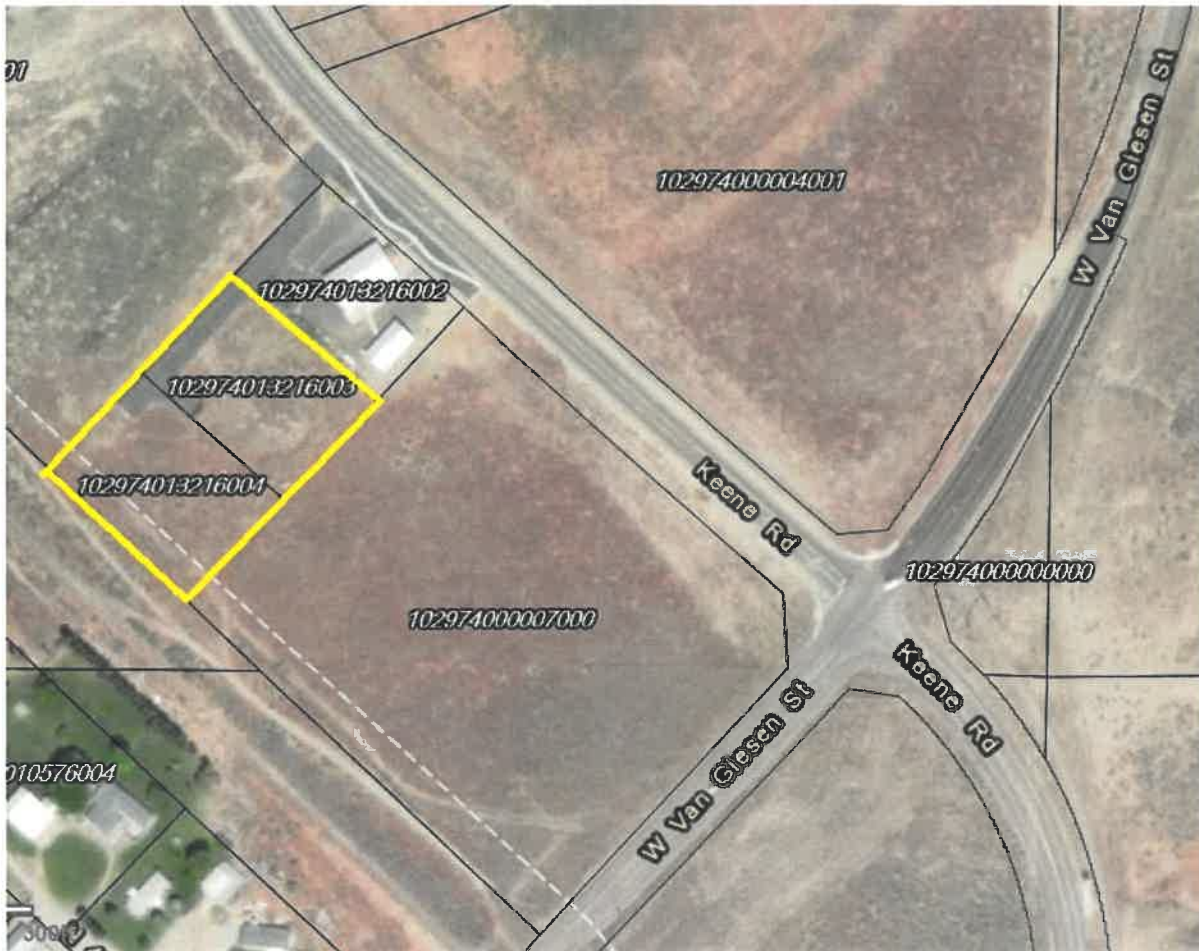
DON BARNES, Vice President

By: 

SKIP NOVAKOVICH, Secretary

EXHIBIT A

PARCEL TAX ID: 1-0297-401-3216-003 and 1-0297-401-3216-004



REAL ESTATE PURCHASE AND SALE AGREEMENT

1. **PARTIES.** THIS AGREEMENT is made and effective on the 11th day of December, 2018, by and between the

**Port of Kennewick
a Washington Municipal Corporation
350 Clover Island Drive, Suite 200
Kennewick, Washington 99336**

hereinafter "Seller", and

**Benton County Fire Protection District No. 4
c/o William H. Whealan, Jr., Fire Chief
2604 Bombing Range Road
West Richland, Washington 99353-7717**

hereinafter "Purchaser".

2. **PROPERTY.** The Seller agrees to sell, and the Purchaser agrees to purchase, upon the terms and conditions herein specified, that certain real property legally described as set forth in **Exhibit "A"** hereinafter "Property." **Tax Parcel Nos.: 102974013216003 and 102974013216004 (+/- 2.0 acres)**

3. **PURCHASE PRICE.** The total purchase price is Ten Thousand Dollars (\$10,000.00). The Purchase Price, inclusive of the earnest money deposit, shall be paid all in cash at Closing.

4. **EARNEST MONEY.** Receipt is hereby acknowledged of One Thousand and No/100 Dollars (\$1,000.00) delivered as earnest money. Earnest money shall be applied to the Purchase Price at Closing. Earnest money and this Agreement shall be promptly delivered by Seller to the Closing Agent hereinafter designated for the benefit of the parties. Earnest money shall be non-refundable at the end of the feasibility period provided at Paragraph 6.1.2 below unless otherwise specifically provided herein.

5. **TITLE INSURANCE.** The Seller shall provide Purchaser with a standard form owner's policy of title insurance in the amount of the purchase price. The title policy to be issued shall contain no exceptions other than those provided in said standard form plus encumbrances or defects approved by Purchaser as provided below. As soon as reasonably possible after escrow is opened Purchaser shall be furnished with a preliminary commitment therefore issued by **Cascade Title Company**. Said preliminary commitment shall include legible copies of all documents forming the basis for any special exception set forth.

6. CONTINGENCIES.

6.1 **Purchaser's Contingencies.** Purchaser's obligation to purchase the Property shall be contingent upon the following:

6.1.1 Condition of Title. Title is to be free of all encumbrances or defects except those approved by Purchaser. The Purchaser shall be considered to have accepted the condition of title unless the Purchaser provides notice of specific written objections within ten (10) business days after Purchaser's receipt of a preliminary commitment as provided for above. If the Seller is not able to provide title in accordance with the Purchaser's written objections prior to closing, this Agreement shall terminate and earnest money shall be refunded.

6.1.2 Feasibility Determination/Environmental Due Diligence. For a period of sixty (60) days from the date of this Agreement, Purchaser may engage consultants or engineers of the Purchaser's choosing to conduct surveys, site studies and tests of the Property, as the Purchaser deems necessary. The Purchaser or its agents shall have the right to enter the Property at reasonable times to make such tests, inspections, studies and other investigations as the Purchaser may require, at the Purchaser's expense and risk. During its investigation of the Property, Purchaser shall also have the right to determine if the Property is suitable for Purchaser's contemplated use, that it is properly zoned and that development is feasible. See Section 7 below. Purchaser and its agents shall have full access to the Property for the purpose of conducting Purchaser's inspections and evaluation. Purchaser's feasibility study shall include environmental due diligence. The Purchaser shall indemnify and hold the Seller harmless from any loss, damage or claim arising out of the Purchaser's access to the Property for purposes of making tests, inspections, studies and other investigations. This contingency shall be deemed waived or satisfied unless Purchaser provides written notice to the contrary within said sixty (60) days, in which case this Agreement shall terminate, and earnest money shall be refunded. If this transaction fails to close due to a default by Purchaser, Purchaser shall immediately deliver to Seller copies of any studies or inspections, appraisals or surveys and any and all information, which either the Purchaser or Purchaser's consultants have obtained in connection with the feasibility study.

Seller hereby grants Purchaser and its/his agents to go upon the property for purposes of inspection and Purchaser hereby agrees to defend, indemnify and hold Seller harmless from any injury to person or property while performing such inspections.

6.1.3 Survey. Seller shall have no obligation to provide Purchaser with a survey of the Property. Purchaser shall be responsible to obtain and pay for a survey of the Property.

6.1.4 Environmental Site Assessment. Seller shall have no obligation to obtain an environmental assessment of the Property. Purchaser, at its sole expense, may incur cost and services to have said assessment performed on the property. A copy of the report obtained by the Purchaser shall be provided to Seller within (5) days of receipt.

7. CONDITION OF PROPERTY/"AS IS" SALE. Except as otherwise expressly set forth in this Agreement, Seller makes no representations or warranties and shall not in any way be liable for any representations or warranties, including, without limitation, representations and warranties concerning (a) the physical condition of the Property (including, without limitation, the environmental condition, condition of the soils and groundwater conditions); (b) the Property's suitability for Purchaser's intended use; (c) any applicable building, zoning or fire laws or regulations or compliance therewith or any required permits of any governmental entities or agencies or compliance therewith; (d) the availability or existence of any water, sewer or other utilities (public or private). Purchaser acknowledges that Purchaser is relying on its own examination and inspection of the physical condition of the Property and all matters relating thereto. Seller shall have no obligation to make any repairs to the Property, and Purchaser shall

accept the property in its "as is" condition at closing. Purchaser shall assume, as of closing, the responsibility for and risk of all defects and conditions of the Property, including any defects and conditions that cannot be observed by casual inspection. The Parties specifically agree that at closing the Purchaser assumes all environmental liability relating to the Property including without limitation the Washington Model Toxics Control Act ("MTCA"), the Toxic Substances Control Act, the Comprehensive Environmental Response, compensation and Liability Act ("CERCLA"), and the Resource Conservation and Recovery Act ("RCRA"), including without limitation, personal injury to or death of persons whosoever including employees, agents or contractors of the Seller, the Purchaser, or any third party, and damage to property of the Seller, the Purchaser, or any third party.

8. RISK OF LOSS. Risk of loss or damage to the Property or any part thereof prior to closing shall be assumed by the Seller. If such loss or damage occurs prior to closing, this Agreement shall terminate and the earnest money shall be returned to the Purchaser.

9. CLOSING.

9.1 Closing Agent. This transaction shall be closed by Cascade Title ("Closing Agent").

9.2 Closing Costs. Closing costs shall be allocated as follows:

Seller	Purchaser
Excise Tax	Recording Fees
Title Insurance Premium	One-Half Closing Fee Costs
One-Half Closing Fee Costs	

Other incidental closing costs shall be paid and/or allocated in accordance with local practice.

9.3 Items to be Prorated. Taxes and assessments for the current year, water and other utilities constituting liens shall be prorated as of date of closing.

9.4 Closing Date - Possession. This transaction shall be closed when all contingencies have been satisfied and waived but in any event no later than ninety (90) days from effective date of this Agreement. "Closing" shall be the date on which all documents are recorded and funds are available for disbursement.

9.5 Conveyance. At Closing Seller shall deliver to Purchaser a Statutory Warranty Deed, free of any encumbrance or defect except those set forth in the preliminary commitment as set forth above.

9.6 Assignment. Neither this Agreement nor the rights hereunder shall be assigned without the prior written consent of Seller, which consent shall not be unreasonably withheld.

10. REPURCHASE OPTION.

10.1 Obligation to Construct Professional Office Building(s). The parties agree that the Purchaser's use of the Property shall be to construct a new Fire Station for Benton County

Fire Protection District No. 4. The new Fire Station will be built in accordance with the following conditions:

10.1.1 Construction of building is to commence no later than twelve (12) months from the date the deed is recorded transferring the Seller's title to the Property to Purchaser;

10.1.2 Commencement of construction will be evidenced by issuance of all required building/construction permits and approvals together with actual commencement of on-site construction;

10.2 Failure to Construct and Right to Repurchase. Subject to force majeure, the parties agree that in the event construction of the building, or some other mutually agreed upon utilization of the Property, has not begun (evidenced as set forth in 10.1.2 above) Seller shall have the right to repurchase the Property at the same price (\$10,000.00) with all closing costs and real estate taxes paid by Purchaser, payable in cash at closing. Seller must give Purchaser written notice of its intent to repurchase the property within twenty-four (24) months of the date deed is recorded transferring the Seller's title to the Property. In the event this repurchase provision is invoked, payment for improvements made to the site by the Purchaser which benefit the future development of the Property shall be made by Seller. Value of improvements which benefit the Property shall be established, unless otherwise agreed by the parties, from the average of two appraisals (one obtained by Seller and one obtained by Purchaser) performed to determine the residual value of site improvements made by the Purchaser.

Closing for the repurchase of the Property shall occur in accordance with the terms of paragraph 9 above, except that Purchaser shall bear all closing costs unless otherwise agreed between the parties, and closing shall occur no later than fifteen (15) days after delivery of the Seller's written notice. Upon closing, Purchaser shall immediately vacate and redeliver possession of the Property to the Seller. At closing, the Purchaser will execute a statutory warranty deed re-conveying the Property to Seller and this Agreement shall be void and of no further force or effect.

10.3 No Assignment or Encumbrances. Purchaser shall not assign, encumber or transfer any right or interest in the Property during the twenty-four (24) months after the deed is recorded transferring the Seller's title to the Property without the Seller's written approval.

10.4 Hold Harmless. Further and in consideration of the terms hereof, in the event the Seller repurchases the Property, Purchaser shall release and hold Seller harmless and shall indemnify and defend Seller from any and all claims, demands, liens, or encumbrances arising out of or connected with this Agreement and the Property.

11. Notices. All notices required by this Agreement shall be considered properly delivered when (1) personally delivered, (2) when transmitted by email showing date and time of transmittal, or (3) delivered by regular overnight courier, or 4) delivered or mailed by U.S. registered or certified mail, return receipt requested, and if mailed, shall be considered delivered three (3) business days after deposit in such mail. The addresses to be used in connection with such correspondence and notices are the following, or such other address as a party shall from time to time direct:

Purchaser: Benton County Fire Protection District No. 4
2604 Bombing Range Road
West Richland, Washington 99353-7717
Attn: William H. Whealan, Jr., Fire Chief
Phone No.: 509-967-2945
Email: wwhealan@bcfd4.org

Seller: Port of Kennewick
350 Clover Island Drive, Suite 200
Kennewick, Washington 99336
Attn: Tim Arntzen, Chief Executive Officer
Phone No.: (509)586-1186
Email: amber@portofkennewick.org

With copy to: Carney Badley Spellman, P.S.
701 Fifth Avenue, Suite 3600
Seattle WA 98104
Attn: Lucinda J. Luke, Port Counsel
Phone No.: (206)607-4111
Email: luke@carneylaw.com

12. MISCELLANEOUS.

12.1 Default Remedies. If either party defaults under this Agreement, the non-defaulting party may seek specific performance of this Agreement, damages or any other remedy available at law or equity.

12.2 Dispute Resolution/Attorney's Fees. In the event of any claim or dispute arising under this Agreement, the parties agree to submit the same to binding arbitration at a location to be mutually agreed upon in Benton County, Washington. In the event the parties are unable to promptly agree upon an arbitrator, the same shall be selected by the presiding judge for the Benton County Superior Court at the request of, and upon seven (7) days' notice from, any party. The arbitrator so appointed shall be a retired superior court judge or an attorney having at least ten years' experience in matters similar to the subject of the claim or dispute. The court may establish the ground rules by which the initial arbitrator fees are to be paid. The mandatory arbitration rules, as implemented in Benton County Superior Court, shall be binding as to procedure. The arbitrator shall determine an award of reasonable attorney's fees and costs and expenses to the substantially prevailing party. If any suit or other proceeding is instituted by either party that is alleged not to come within the foregoing agreement for arbitration, the substantially prevailing party as determined by the court or in the proceeding shall be entitled to recover its reasonable attorney's fees and all costs and expenses incurred.

12.3 Time of Essence. Time is of the essence of this Agreement.

12.4 Calculation of Time Periods. Unless otherwise specified, in computing any period of time described in this Agreement, the day of the act or event after which the designated period of time begins to run is not to be included and the last day of the period so computed is to be included, unless such last day is a Saturday, Sunday or legal holiday. The final day of any such period shall be deemed to end at 5:00 p.m., Pacific.

12.5 Governing Law and Venue. This Agreement shall be governed by and construed according to the laws of the State of Washington. Venue for any dispute arising out of or related to this Agreement shall be exclusively in Benton County, Washington.

12.6 Authority to Execute Agreement. Each of the undersigned represents and warrants that, if not signing on his own behalf, he has the authority to bind the entity for which he/she is executing this Agreement.

12.7 Entire Agreement. There are no verbal or other agreements which modify or affect this Agreement, and Purchaser and Seller acknowledge that this Agreement constitutes the full and complete understanding between Purchaser and Seller.

12.8 Amendments. This Real Estate Purchase and Sale Agreement may be amended or modified only by a written instrument executed by Seller and Purchaser.

12.9 Broker Compensation. Both Purchaser and Seller warrant to the other that it has not incurred a brokerage commission for which the other party would be responsible. Except as specifically disclosed herein, neither party has had any contact or dealings regarding said property, or any communication in connection with the subject matter of this transaction, through any licensed real estate broker or other person who can claim a right to a commission or finder's fee as a procuring cause of the purchase and sale contemplating this Agreement. If any broker or finder perfects a claim for a commission or finder's fee based upon any other contract, dealings or communication, the party through whom the broker or finder makes his or her claim will be responsible for that commission or fee and shall indemnify, defend and hold harmless the other party from and against any liability, cost or damages, including attorney's fees and costs, arising out of that claim.

12.10 Obligations to Survive Closing. The obligations contained herein shall survive closing.

12.11 Termination. Unless otherwise agreed between the parties, this Agreement shall terminate unless signed by Purchaser and returned to Seller before 5:00 p.m. the third business day following the Port of Kennewick's next scheduled Commission meeting.

13.0 Exhibits. The following exhibits are attached hereto and made a part of this Agreement by reference:

Exhibit A - Legal Description

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first below written.

SELLER:

Port of Kennewick

A Washington Municipal Corporation

By Authority of its Board of Commissioners

Dated: _____

12/11/18

By: _____



Tim Arntzen, Chief Executive Officer

Approved: _____



Nick Kooiker, Port Auditor

Date: _____

12/11/18

Approved as to form: _____



Lucinda J. Luke, Port Counsel

Date: _____

12/13/18

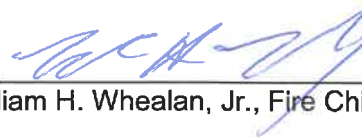
PURCHASER:

**Benton County Fire Protection District
No. 4**

Dated: _____

11/29/2018

By: _____



William H. Whealan, Jr., Fire Chief

ACKNOWLEDGEMENTS

State of Washington)
)ss
County of Benton)

On this day personally appeared before me Tim Arntzen to me known to be the **Chief Executive Officer** of the **Port of Kennewick**, the municipal corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation for the uses and purposes therein mentioned, and on oath stated he is authorized to execute the said instrument.

GIVEN under my hand and official seal this 11th day of December, 2018.

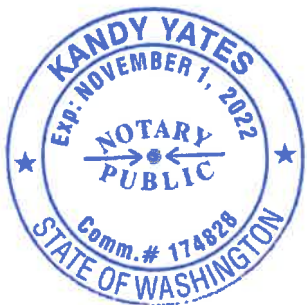


Bridgeth A. Scott
Notary Public in and for the State of Washington
Residing at: Richland WA
My Commission Expires: 06-01-2022

State of Washington)
)ss
County of Benton)

On this day personally appeared before me **William H. Whealan, Jr.** to me known to be the **Fire Chief** of the **Benton County Fire Protection District No. 4**, the municipal organization that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said organization for the uses and purposes therein mentioned, and on oath stated he is authorized to execute the said instrument.

GIVEN under my hand and official seal this 29 day of November, 2018.



Kandy Yates
Notary Public in and for the State of Washington
Residing at: Pasco, WA
My Commission Expires: 11/1/2022

EXHIBIT A

(Legal Description)

EXHIBIT A

PARCEL TAX ID: 1-0297-401-3216-003 and 1-0297-401-3216-004

