

The Governor's proclamation 20-28 regarding the Open Public Meetings Act and Public Records Act temporarily prohibits in-person public attendance at meetings subject to the OPMA.

A GoToMeeting has been arranged to enable the public to listen and make public comments remotely. To participate remotely, please use the following call-in information:

Via GoToMeeting: 1-866-899-4679, Access Code: 835-803-277

AGENDA

***Port of Kennewick
Regular Commission Business Meeting
Port of Kennewick Commission Chambers (via GoToMeeting)
350 Clover Island Drive, Suite 200, Kennewick Washington***

Tuesday, December 8, 2020
2:00 p.m.

- I. CALL TO ORDER**
- II. ANNOUNCEMENTS AND ROLL CALL**
- III. PLEDGE OF ALLEGIANCE**
- IV. APPROVAL OF AGENDA**
- V. PUBLIC COMMENT** *(Please state your name and address for the public record)*
- VI. CONSENT AGENDA**
 - A. Approval of Direct Deposit and ePayments Dated November 20 and 27, 2020
 - B. Approval of Direct Deposit and ePayments Dated December 2 and 4, 2020
 - C. Approval of Regular Commission Meeting Minutes November 10, 2020
- VII. EMERGENCY DELEGATION UPDATE** (TIM/AMBER)
- VIII. PRESENTATIONS**
 - A. Friends of the Port (TANA)
 - B. Waterfront Master Plan, Makers architecture and urban design (LARRY)
- IX. REPORTS, COMMENTS AND DISCUSSION ITEMS**
 - A. Vista Field (LARRY)
 - B. Chief Executive Officer Extension of Longevity Agreement; Resolution 2020-30 (LUCINDA)
 - C. Upcoming Commission Meetings (BRIDGETTE)
 - D. Director Reports (TANA /NICK/ LARRY / AMBER /LUCINDA/TIM)
 - E. Commission meetings (formal and informal meetings with groups or individuals)
 - F. Non-Scheduled Items
- X. PUBLIC COMMENT** *(Please state your name and address for the public record)*
- XI. ADJOURNMENT** ***PLEASE SILENCE ALL NOISE MAKING DEVICES***





PORT OF KENNEWICK REGULAR COMMISSION MEETING

DRAFT

NOVEMBER 10, 2020 MINUTES

Commission Meeting recordings, with agenda items linked to corresponding audio, can be found on the Port's website at: <https://www.portofkennewick.org/commission-meetings-audio/>

Commission President Don Barnes called the Regular Commission Meeting to order at 2:00 p.m. via GoToMeeting Teleconference.

ANNOUNCEMENTS AND ROLL CALL

The following were present:

Board Members: Commissioner Don Barnes, President (via telephone)
Skip Novakovich, Vice-President (via telephone)
Thomas Moak, Secretary (via telephone)

Staff Members: Tim Arntzen, Chief Executive Officer (via telephone)
Tana Bader Inglima, Deputy Chief Executive Officer (via telephone)
Amber Hanchette, Director of Real Estate and Operations (via telephone)
Nick Kooiker, Chief Finance Officer (via telephone)
Larry Peterson, Director of Planning and Development (via telephone)
Lisa Schumacher, Special Projects Coordinator
Bridgette Scott, Executive Assistant (via telephone)
Lucinda Luke, Port Counsel (via telephone)

PLEDGE OF ALLEGIANCE

Commissioner Barnes led the Pledge of Allegiance.

APPROVAL OF THE AGENDA

MOTION: Commissioner Novakovich moved to approve the Agenda as presented; Commissioner Moak 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 1, 2020***
Direct Deposit and E-Payments totaling \$120,533.53
- B. Approval of Direct Deposit and E-Payments Dated November 10, 2020***
Expense Fund Voucher Number 102482 through 102519 for a grand total of \$102,539.62
- C. Approval of Regular Commission Meeting Minutes October 27, 2020***

PORT OF KENNEWICK REGULAR COMMISSION MEETING

NOVEMBER 10, 2020 MINUTES

DRAFT

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

EMERGENCY DELEGATION UPDATE

Mr. Arntzen and Ms. Hanchette stated there is nothing to report for Emergency Delegation.

PUBLIC HEARINGS

A. Adoption of 2021-2022 Budget

Mr. Kooiker presented the final 2021-2022 Budget (EXHIBIT A) for Commission approval.

Commissioner Barnes recessed the Regular Meeting at 2:08 p.m and declared an Open Public Hearing for discussion regarding 2021-2022 Budget.

PUBLIC COMMENTS

No comments were made

Commissioner Barnes closed the Public Hearing at 2:09 p.m. regarding the 2021-2022 Budget and reconvened the Regular Commission Meeting.

MOTION: *Commissioner Novakovich moved to approve Resolution 2020-24 adopting the Port of Kennewick's 2021 and 2022 Budget as presented; and the board further ratifies and approves all action by Port officers and employees in furtherance hereof; Commissioner Moak seconded.*

Discussion:

Commissioner Novakovich thanked Mr. Kooiker and staff for the work on the 2021-2022 Budget. The Budget represents Port of Kennewick to its constituents and shows the public what we can do with their money in a very conservative manner and how we apply our resources in the most effective way to serve the public.

Commissioner Barnes commended staff and Mr. Kooiker for their preparation of the Budget. The Port is still in full swing although we are in the midst of challenging times with the COVID-19 Pandemic. This is a conservative Budget that will serve us well for the next two years.

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

B. Levy Certification

Mr. Kooiker presented Resolution 2020-25 certifying the Port's Levy Certification, which allows the Port to collect taxes in 2021. Resolution 2020-26 allows the Port to take the 1% statutory increase which is approximately \$40,000-\$50,000.

Commissioner Novakovich asked for confirmation that the Commission can address Resolution 2020-25 and 2020-26 together.

PORT OF KENNEWICK REGULAR COMMISSION MEETING

NOVEMBER 10, 2020 MINUTES

DRAFT

Ms. Luke confirmed that the Commission can address Resolutions 2020-25 and 2020-26 in one motion and that is acceptable for the record.

Commissioner Barnes recessed the Regular Meeting at 2:15 p.m. and declared an Open Public Hearing for discussion regarding the Levy Certification and the Tax Capacity.

PUBLIC COMMENTS

No comments were made

Commissioner Barnes closed the Public Hearing at 2:16 p.m. regarding the Levy Certification and the Tax Capacity and reconvened the Regular Commission Meeting.

MOTION: *Commissioner Novakovich moved to approve Resolution 2020-25, certifying the Port of Kennewick's tax levy for 2021 collections and Resolution 2020-26 increasing the Port of Kennewick's tax levy capacity in 2021; Commissioner Moak seconded.*

Discussion:

Commissioner Barnes stated in the past he has supported taking the 1% increase in the Port's tax levy capacity; however, this year, he has had a change of heart and proposed to amend the motion:

MOTION TO AMEND: *Commissioner Barnes moved to amend the motion by striking the reference to Resolution 2020-26; Motion to amend dies for lack of second.*

Commissioner Moak stated there is a substantial need for the Port to take the 1% and we have identified throughout the year the needs of the Port in terms of Vista Field and other projects. As Mr. Kooiker stated, by taking the 1%, the Port receives \$40,000-\$50,000 and Commissioner Moak still thinks it is something that we have a need for and we should continue to do that.

Commissioner Barnes stated Commissioner Moak's point is well taken. Commissioner Barnes stated his opposition to taking the 1%, but reiterated that the Motion is for Resolutions 2020-25 and 2020-26 to be approved at the same time. Commissioner Barnes is favor of the Resolution, although, as he stated earlier, he is opposed to the 1% increase and believes that money could be left in the hands of that tax payers.

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

C. Increase in Tax Capacity

The increase in tax capacity was discussed with Item B, Tax Levy.

REPORTS, COMMENTS AND DISCUSSION ITEMS

A. Vista Field

Mr. Peterson presented a tentative schedule related to Vista Field (EXHIBIT B) and discussed the Special Vista Field Meeting on December 11, 2020.

PORT OF KENNEWICK REGULAR COMMISSION MEETING

NOVEMBER 10, 2020 MINUTES

DRAFT

Commission and staff discussed the tentative schedule for Vista Field and the Special Meeting on December 11, 2020.

B. Clover Island/Columbia Drive

1. Kennewick Waterfront Master Plan Update

Mr. Peterson reported that Makers is working on compiling the public input received throughout the entire outreach process into one conceptual Clover Island Master Plan. Makers will be making a short presentation regarding the conceptual layout at the December 8, 2020 Commission Meeting.

2. Boathouse Update

Mr. Arntzen outlined a history of the live-aboard question posed by boat house owners at the Clover Island Yacht Club. Mr. Arntzen discussed the letter to Commodore Dan Bunn of the Clover Island Yacht Club and memo to Marie Mosely, City Manager for the City of Kennewick, which were included in the Agenda Packet. Mr. Arntzen stated the Yacht Club leases the building and dock from the Port of Kennewick; however, the U.S. Army Corps of Engineers and the City have specific rules and ordinances in place which state no live-aboards are allowed.

Ms. Hanchette stated the Port is very strict on the no live-aboard policy for the Clover Island Marina.

Commissioner Novakovich thinks we should go forward with the correspondence and support staff and Mr. Arntzen on his efforts. Commissioner Novakovich believes this could be a liability issue and the City is probably the right agency to enforce the no live-abord rules.

Commissioner Moak inquired what the risk or liability is to the Port regarding this matter and if the risk is to the owner of the boathouse or the Port.

Ms. Luke stated the USACE could seek to enforce their agreement and the Port would be responsible for non-compliance and is at risk of having an enforcement action related to the agreement. Separate from that, if there were a catastrophe, such as a fire that occurred in the marina or boathouse area, there would be liability to the Port, property owners, City or any entity that might have involvement in ownership operations of the marina.

Commissioner Moak thinks the letters are appropriate and approves of sending the letters to the Clover Island Yacht Club and the City of Kennewick.

Commissioner Barnes is supportive of sending these letters and encouraged staff to send an annual reminder of the Port's terms and conditions of the lease agreements.

Mr. Arntzen thanked the Commission for their unwavering support regarding this matter.

PORT OF KENNEWICK REGULAR COMMISSION MEETING

NOVEMBER 10, 2020 MINUTES

DRAFT

C. South Verbena

Ms. Hanchette reported that the life estate tenant at the 50 South Verbena property recently passed away and inquired what direction the Commission would like staff to take regarding the property. The Port purchased the 4 ½ acre parcel in the late 1990's and the property is zoned industrial and there are several buildings in need of significant repair located on the property. Ms. Hanchette is currently having the property appraised.

The Commission and staff discussed the various options related to the property.

It is the consensus of the Commission to surplus the property at 50 South Verbena.

D. City of Richland Interlocal Agreement

Mr. Arntzen presented Resolution 2020-29, approving an Interlocal Agreement between the Port of Kennewick and the City of Richland for the Center Parkway project. Mr. Arntzen stated the funds have been identified in the 2021-2022 Budget, which was approved earlier in the Meeting.

PUBLIC COMMENT

No comments were made.

MOTION: Commissioner Novakovich moved to approve Resolution 2020-29 adopting the Interlocal Agreement between the Port of Kennewick and the City of Richland related to the Center Parkway Improvement project; and to take all other action necessary to close this transaction; and further ratifies and approves all action by port officers and employees in furtherance hereof; Commissioner Barnes seconded.

Discussion:

Commissioner Novakovich believes this is a nice way to partner with a jurisdictional partner and the area is located in the Port district. Commissioner Novakovich thinks this is something we should support and stated it is a benefit to the Port and our constituents and the project is already in the Budget.

Commissioner Moak thinks this is an important economic development project and he worked on the Center Project during his time at the City of Kennewick. Commissioner Moak thinks this is a good way to partner on an economic development project that will benefit both Kennewick and Richland and will help the transportation issues on Steptoe and Columbia Center Boulevard.

Commissioner Barnes agrees with Commissioners Moak and Novakovich and stated it is a sound project with clear economic benefits. Commissioner Barnes appreciates Commissioner Moak's comments about traffic concerns and stated the project should relieve the congestion at Steptoe and Columbia Center Boulevard.

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

PORT OF KENNEWICK REGULAR COMMISSION MEETING

NOVEMBER 10, 2020 MINUTES

DRAFT

RECESS

Commissioner Barnes called for a recess for at 3:56 p.m. until 4:00 p.m.

Commissioner Barnes reconvened the meeting at 4:00 p.m.

E. Formal Approval of CEO's Goal #3, Vista Field Owner's Association

Mr. Kooiker reported the Commission recently passed Resolution 2020-22 approving the Vista Field Owners Association documents, which was listed as a 2017-2018 goal for the CEO. Resolution 2020-22 formally accepts the goal as completed.

PUBLIC COMMENT

No comments were made.

MOTION: *Commissioner Novakovich moved to approve Resolution 2020-27, approving completion of goal #3 of the 2017-2018 CEO's goals and objectives; Commissioner Moak seconded.*

Discussion:

Commissioner Barnes stated Resolution 2020-27 is straight forward and the Commission approved the Vista Field Owners Association documents which was part of the CEO's 2017-2018 goals.

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

F. Chief Executive Officer 2021-2022 Goals and Objectives

Mr. Kooiker presented the 2021-2022 goals and objectives for Mr. Arntzen, Chief Executive Officer. Exhibit B combines the remaining three goals from 2019-2020 with the new goals for 2021-2022. Mr. Kooiker presented twelve potential goals for the Commission to review, modify or add an additional goal.

Commissioner Barnes stated with the rapid changes of COVID-19, he suggested combining goal number 1: back to work plan and goal number 10, prepare a COVID-19 economic-impact analysis.

Commissioner Novakovich believes the list is comprehensive and well thought out and he appreciates how the goals conform to Work Plan and Budget. Commissioner Novakovich believes the back to work plan for COVID-19 and the economic-impact analysis are separate issues.

Commissioner Moak concurs with Commissioner Novakovich's comments. Additionally, he thinks goal number three and number five should be removed. Commissioner Moak does not think the Port needs to renegotiate a new contract with TRIDEC (goal number eleven). TRIDEC does a lot of great things for the Tri-Cities, but he does not think they do a lot that benefits the Port of Kennewick directly.

Commissioner Barnes concurs with Commissioner Moak regarding goals number three, five, and eleven. Commissioner Barnes stated things will change over the next two years and suggested retaining some level of flexibility to CEO's goals if something comes up.

PORT OF KENNEWICK REGULAR COMMISSION MEETING

NOVEMBER 10, 2020 MINUTES

DRAFT

Commissioner Novakovich believes TRIDEC should be a performance-based contract, because we pay a large amount and generally do not see anything in return.

Commissioner Barnes suggested revising goal number four, from present a report for the Vista Field team to implementation of the Vista Field team. Commissioner Barnes asked for more clarification regarding goal number twelve, complete Laserfiche process.

Mr. Kooiker stated Laserfiche has endless capabilities and this goal is specifically related to the contract work flow, contracts, and digital signatures, which he hopes to have implemented by spring.

It is the Consensus of the Commission to remove goals number three, five, and eleven and revise goal number four to read implementation of the Vista Field team.

Commissioner Moak shared three suggestions for goals:

1. Update the Port's Rules of Policy and Procedures and incorporate any new policies approved by Commission;
2. Develop a plan for professional Human Resources (HR) services to deal with issues between and among staff, between and among Commissioners, and between and among staff and Commissioners, and other HR needs as required;
3. Develop a plan to work through the existing communication issues between and among Commissioners, and between and among Commissioners and staff. To improve overall communication within the agency to enable the Port to move forward with a unified purpose.

Mr. Kooiker stated from an auditing perspective, number one and two are quantifiable; however, number three would need to include how the measurement was set and how it was achieved.

Commissioner Barnes thinks these three concerns could fall under one umbrella, where we could bring in a professional for a "governance audit" to review the Rules of Policy and Procedures, best practices, and overall function and efficiency of the Port and assist in facilitating healthy communication.

Commissioner Novakovich agrees and would like to see it rolled into one goal and have an assessment done of where we are at and where we should be. The outcome should be drafting a new set of Rules of Policy and Procedures document.

Commissioner Moak supports all of the concepts and asked staff to revise it so that it could be measurable and completable and help us move forward in a better way.

Mr. Arntzen appreciates the discussion and proposed moving forward with the nine proposed goals that the Commission agrees on. Mr. Arntzen would like for staff to review the Rules of Policy and Procedures with the Human Resources element, with the intent of bringing it back as a quantifiable goal and then have two additional goals in the future.

PORT OF KENNEWICK REGULAR COMMISSION MEETING

NOVEMBER 10, 2020 MINUTES

DRAFT

The Commission agrees with Mr. Arntzen's suggestions.

PUBLIC COMMENT

No comments were made.

MOTION: *Commissioner Novakovich moved to approve Resolution 2020-28, approving the CEO's 2021-2022 goals and objectives; and further ratify and approve all action by port officers and employees in furtherance hereof; Commissioner Moak seconded.*

Discussion:

Commissioner Barnes thanked Mr. Arntzen and Mr. Kooiker for their work on this document and stated it has been a very productive discussion and he looks forward to seeing these whittled down as we go forward.

Commissioner Moak would like to see these goals accomplished and believes that having goals set and getting them accomplished goes a long way. He understands that Mr. Arntzen wants to work on projects that he knows the Commission is in favor of and supports; and Commissioner Moak believes we have helped do that by approving the 2021-2022 goals.

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

G. Commission Meetings

Ms. Scott inquired if the Commission would like to cancel the November 24, 2020 Regular Commission Business Meeting.

It is the Consensus of the Commission to cancel the November 24, 2020 Regular Commission Business Meeting.

H. Director Reports

Ms. Hanchette shared that Victor Palencia and Nena Cosic, owner of European Desserts by Nena are joining forces and opening a new food trailer, Culture Shock, which will be located under the Latino Mural at Columbia Gardens. The food truck plans on being open Thursday through Sunday for brunch and dinner.

Mr. Arntzen applauded the Commission on their flexibility and collaboration regarding the 2021-2022 CEO goals.

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

Commissioners reported on their respective committee meetings.

J. Non-Scheduled Items

Ms. Hanchette stated the Port will be lighting the Veterans Christmas tree in The Willows this month.

Ms. Luke reported that the Public Hearing related to Commissioner Barnes' appeal on

PORT OF KENNEWICK REGULAR COMMISSION MEETING

NOVEMBER 10, 2020 MINUTES

DRAFT

recommended action on November 20, 2020 will need to be rescheduled due to Mr. Comfort's illness (Commissioner Barnes legal counsel). Ms. Luke worked with Judge Kallas and Ms. Scott to determine a new hearing date and identified Friday, December 4th at 9:30 a.m. as a potential date. Ms. Luke inquired if the Commission was available.

The Commissioners are available for the Special Meeting on December 4, 2020 at 9:30 a.m.

Commissioner Moak inquired if staff would review the location of Mr. Palencia's food truck, because it looks as though it is blocking the view of the Latino Mural.

Ms. Hanchette stated the food truck is parked by the Mural and if someone wanted to view the Mural, they are able to walk around and view the artwork. Ms. Hanchette stated we located it there because it serves two purposes: it kept the food trailer out of the courtyard area, which has limited parking and is close to the Monarcha and Bartholomew tasting rooms and the other tasting rooms. Additionally, we could add a power pedestal more readily to that location and generate more traffic to the Mural area. Ms. Hanchette stated if it is the Commission's desire to move the food trailer, then staff will find another location for Mr. Palencia.

Commissioner Moak understands Ms. Hanchette's comments and the benefits to Columbia Gardens; however, he is concerned that we are blocking a piece of artwork. Commissioner Moak would like the Commission to look at the placement and possibly have the Latino Mural Committee review as well.

Mr. Arntzen will work with Ms. Hanchette on the placement of the trailer and asked if the Commission would take a look at the location and share their thoughts via email to Ms. Scott.

No further comments were made.

PUBLIC COMMENTS

No comments were made.

COMMISSION COMMENTS

No comments were made.

ADJOURNMENT

With no further business to bring before the Board; the meeting was adjourned 5:21 p.m.

PORT OF KENNEWICK REGULAR COMMISSION MEETING

NOVEMBER 10, 2020 MINUTES

DRAFT

APPROVED:

**PORT of KENNEWICK
BOARD of COMMISSIONERS**

Don Barnes, President

Skip Novakovich, Vice President

Thomas Moak, Secretary



AGENDA REPORT

TO: Port Commission

FROM: Lucinda J. Luke, Port Counsel

MEETING DATE: December 8, 2020

AGENDA ITEM: Resolution 2020-30 Renewal of CEO Longevity Agreement

- I. REFERENCE(S):** See CEO Employment Agreement attached hereto as Exhibit 1.
See also CEO's November 30, 2020 letter to Commission attached hereto as Exhibit 2.
- II. FISCAL IMPACT:** See Longevity Agreement terms.
- III. DISCUSSION:** The CEO's Employment Agreement includes a Longevity Agreement at Exhibit "B". The Longevity Agreement was renewed in 2015 for a second five-year term ending December 31, 2020. In order to maintain stability in the key position of CEO for the Port, the Port has utilized a retention agreement.
- IV. RECOMMENDATION:** Adoption of Resolution 2020-30 renewing the CEO's Longevity Agreement for a third five-year term through December 31, 2025.
- V. ACTION REQUESTED OF COMMISSION:**
***Motion:** I hereby move approval of Resolution 2020-30 renewing the CEO's Longevity Agreement for a five-year term ending December 31, 2025.*

EMPLOYMENT AGREEMENT

This Employment Agreement (the "Agreement") is entered into on this date by and between the PORT OF KENNEWICK, a Washington municipal corporation, by its Board of Commissioners (the "Employer", the "Port" or "Board"), and TIM ARNTZEN (the "Employee" or "Executive Director"), collectively referred to as the "Parties".

1. **Employment.** Employer hereby continues the employment of Employee and Employee hereby accepts continuing employment as Executive Director of the Port of Kennewick upon the terms and conditions set forth herein.

2. **Effective Date.** This Agreement shall be effective November 15, 2013.

3. **Duties.** The Employee is employed as Executive Director of the Port of Kennewick under the direction of the Board of Commissioners. As Executive Director of the Port, Employee shall be responsible for and perform all acts and duties incident thereto, including, but not limited to the following:

3.1 The Employee shall serve as the chief administrative officer and the chief executive officer of the Port of Kennewick; and

3.2 The Employee shall perform for the Board all duties and responsibilities of an executive director of a public port generally imposed by or implied from the laws of the State of Washington, including, but not limited to, Chapter 53 of the Revised Code of Washington, the written policies, rules and regulations of the Board, the applicable portions of the Washington Administrative Code, and other customs and practices which may be applicable to public ports; and

3.3 Employee shall perform all duties and responsibilities of the Executive Director of the Port as set forth in the job description for the position as now or hereafter adopted by the Commission; and

3.4 The Employee shall perform such other duties and responsibilities as may from time to time be assigned or delegated to the Employee by the Board; and

3.5 Subject to Board policy and applicable law, the Employee is hereby authorized to organize, reorganize, hire, discipline, terminate and arrange the staff and employees of the Port in the manner that in his judgment best serves the interests of the Port; and

3.6 Employee's employment is full-time exempt service, and Employee shall devote full attention and best efforts to performing the duties of the Executive Director.

3.6.1 Except as set forth herein, the Parties acknowledge that providing the services of the Executive Director, as needed by the Employer, is of

Employment Agreement 2013
Executive Director

Initials LA / TA
Port Commission/ Tim Arntzen

primary importance and that the actual amount of time spent by Employee to provide such services is not limited to the hours or days upon which the business office of the Port is open for business and may include participation in or presence at Port and community activities and matters relating to the best interests of the Port beyond the normal business day, including emergency situations. In like manner, less than a normal eight (8) hour day may, at times, be sufficient. The Executive Director shall organize his time and perform his duties in light of this subparagraph.

3.6.2 The Employee may undertake other personal consulting or private business activities so long as they do not detract from or conflict with his responsibilities as the public spokesperson for and Executive Director of the Port. Prior to engaging in any such activities, the Employee shall receive the consent of the Employer, which shall be liberally granted.

4. **Compensation and Benefits.** The Employee will receive the following salary and benefits:

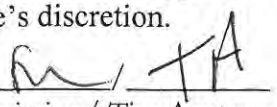
4.1 The base annual salary of the Employee shall be \$141,431 plus \$8,484 towards deferred compensation plan of employees choice starting January 1, 2014, which base amount shall be subject to annual adjustment as follows:

4.1.1 Provided Employee's performance is deemed "satisfactory" by the Employer as provided in Section 6 of this Agreement, then, effective each January 1 following the date of the performance review, Employee shall be entitled to a cost of living increase in an amount equal to 2% of his then current salary and a step increase in an amount equal to 2% of his then current salary directed at the Employee's discretion to be paid out as salary or allocated to the Employee's Deferred Compensation account. If Employee directs part of his salary to be allocated to the Employee's Deferred Compensation account, it is subject to the IRS cap limits. If the IRS cap amount is reached, the Employee may use part of his salary to supplement the Employee's matching portion requirement by the Port's Policies and Procedures Handbook approved by the Commission or apply it toward another allowable deferred compensation plan.

4.1.2 Provided Employee's performance is deemed "above satisfactory" by the Employer, the Employee shall receive 14 PTO days in addition to 4.1.1 above. This PTO can be accrued in addition to Port approved policy, cashed out, taken or a combination of the three at Employee's discretion.

4.1.3 Provided Employee's performance is deemed "exceptional" by the Employer, Employee will receive an additional 7 PTO days in addition to 4.1.1 and 4.1.2. This PTO can be accrued in addition to Port approved policy, taken or a combination of the two at Employee's discretion.

Employment Agreement 2013
Executive Director

Initials 
Port Commission/ Tim Arntzen

- 4.1.4 The annual salary shall be paid in equal monthly installments in accordance with the rules of the Board governing payment to other employees of the Port.
- 4.1.5 The salary adjustment provisions of Section 4.1.1 above shall be subject to available budget, recognizing that staff salaries shall be a priority budget item.
- 4.1.6 The Employer shall establish annual Executive Director goals for the Employee commensurate with those as set forth in Exhibit "A" attached hereto. The Employee may be considered for merit pay and other recognition at the Employer's discretion.
- 4.2 The same medical, dental, life insurances, PTO and all other benefits provided to employees of the Port with premiums paid at the same rate as such employees; provided, the Employee shall be entitled to life insurance in the amount of two times the Employee's annual salary. The Employee may select the carrier to provide said coverage (currently NY Life, Richland, Washington).
- 4.3 Paid holidays recognized by the State of Washington and the Board.
- 4.4 Longevity compensation as set forth in the "Longevity Compensation Agreement," Exhibit "B" to this agreement.
- 4.5 Employee shall receive an automobile insurance allowance of \$80 per month.
- 4.6 Phased retirement as set forth in the "Phased Retirement Plan," Exhibit "C" to this agreement.
- 4.7 Leave without pay: The Employee may utilize up to 30 days of annual leave without pay for either personal or professional reasons, so long as the Employee's absence does not cause undue disruption with the Employer. At least one-half of the Employee's annual paid leave (PTO) must be exhausted before leave without pay may be exercised. Leave without pay must be charged in minimum increments of one day. The Employer shall encourage top level employees to utilize unpaid leave as a means of budgetary constraint. The Employee shall discuss any proposed leave without pay with the Employer prior to utilizing any such leave.
- 4.8 Professional Development Leave: The Employee shall also be entitled to 10 additional days of paid leave to pursue professional development activities which may include opportunities for training, coaching, workshops, seminars, conferences, institutes, lectures, and meetings; participation in professional and technical associations and for the opportunity to pursue unique professional

Employment Agreement 2013
Executive Director

Initials SW / TA
Port Commission/ Tim Arntzen

development, community outreach, and/or specialized school or training opportunities. The Commission President shall approve the leave subject to scheduling, staffing, and budget considerations, and on the condition that the leave enhances the Employee's personal and professional performance, facilitates the acquisition of new skills and abilities, and enhances the Employee's learning through education, service, research, or related pursuits. After returning to work, the Employee must present what has been gained during the leave by providing the Commission with a presentation, report, or some other agreed upon mechanism.

5. **Washington State Department of Retirement or Approved Policy Retirement:** If the employee's performance is deemed "satisfactory" by the Employer as provided in Section 6 of this Agreement, then, effective each January 1 following the date of the performance review; Employer shall make an additional annual 1% contribution into Employee's Deferred Compensation account. "Additional" shall mean an amount in addition to the normal Employer contribution provided by the Port's Policies and Procedures Handbook approved by the Commission.
6. **Evaluation.** The Employer shall provide Employee with a written performance review based on the evaluation form attached hereto as Exhibit D, no later than November 15th of each year.
7. **Employer Responsibility.** To the maximum extent permitted by law, Employer shall defend, indemnify, and hold Employee harmless from and against any and all claims, demands, suits, action or proceedings of any kind of nature arising out of the performance by Employee of the Employee's duties and responsibilities as Executive Director of the Employer.
8. **Termination.** The purpose of this Section is to provide a prompt and equitable procedure for all disciplinary action, which may include reprimand, suspension and termination actions. Notwithstanding any other provision of this Agreement, disciplinary action of whatever nature shall not be arbitrary, unreasonable or retaliatory.
 - 8.1 The burden of proof shall be on the Employer to demonstrate a clear basis for any disciplinary action.
 - 8.2 Notwithstanding any other provision of this Agreement, no Employee activity or action outside the defined scope of employment shall provide a basis for disciplinary action.
 - 8.3 Disciplinary action shall be fully documented in writing and shall follow the policy of progressive discipline, pursuant to the port Policy and Procedures Manual.

Employment Agreement 2013
Executive Director

Initials SM TA
Port Commission/ Tim Arntzen

During the period of this Employment Agreement, the Port shall have the right to terminate the Employee only as follows:

- 8.4 For Cause. Termination of the Executive Director's employment for cause shall become effective fourteen (14) days after a written notice of intent to terminate is received by the Executive Director, which notice shall specify the reason or reasons for termination. Employer may, at the time of giving such notice, suspend or direct the Executive Director to immediately cease performing all or any part of the Executive Director's duties. Such suspension shall be with pay pending final resolution of any termination for cause. Cause shall be defined as and strictly limited to:
- 8.4.1 The continued or repeated intentional failure of the Executive Director to substantially perform his duties and obligations to the Port, which failure continues after written notice to the Executive Director; or
 - 8.4.2 Theft, fraud, dishonesty provided that such activity is toward or involving the Port (other than the failure resulting from illness, sickness or physical or mental incapacity)
 - 8.4.3 Conviction of any felony crime.
 - 8.4.4 A finding or decision of any court or government agency of a willful and intentional violation of any court order or order or directive of a governmental agency relating to the Executive Director's duties or responsibilities as the Port's Executive Director, or when such violation is contrary to any directive by the Port Commission or no reasonable basis can be inferred from which the Executive Director believed he was directed or authorized by the Board of Commissioners to perform such acts constituting the violation.
- 8.5 Performance-Based Cause. The Employer shall have the right to terminate Employee's employment if the Employee's performance, as measured in annual performance evaluations, consistently fails to meet the fundamental evaluation criteria as established in the written performance evaluation form attached hereto as Exhibit "D." For the purpose of this Agreement the term "consistently" shall mean three (3) out of five (5) years performance reviews where the Employee's performance is deemed "unsatisfactory".
- 8.5.1 Termination of the Executive Director's employment for Performance-Based Cause shall be effective fourteen (14) days after receipt by the Executive Director of written notice of termination stating that such termination is for Performance-Based Cause.
 - 8.5.2 Employer may, at the time of giving such notice, suspend or direct the

Employment Agreement 2013
Executive Director

Initials FM / TA
Port Commission/ Tim Arntzen

Executive Director to immediately cease performing all or any part of the Executive Director's duties.

9. **Severance Pay.**

9.1 If Employer terminates Employee for cause as defined above there shall be no severance pay. Employee shall receive all other earned or accrued benefits through the effective date of termination.

9.2 If Employer terminates Employee for performance based cause as defined above, Employer shall make a severance payment computed as follows:

9.2.1 Pay Employee his salary in a lump sum amount equal to twelve (12) month's salary following the date of termination, together with any earned benefits at time of termination; and

9.2.2 Reimburse Employee for the cost of acquiring health benefits for Employee and his family through COBRA for a period of one (1) year from the date of termination unless Employee becomes employed during said one-year period and receives comparable insurances benefits.

9.3 The payment of severance pay is subject to applicable law.

10. **Corrective Action.** Prior to the imposition of disciplinary action, the Employee shall have the opportunity to undertake corrective action, which shall be reasonable under the circumstances, and which may include, but is not limited to, monetary restitution, compliance with a commitment not to repeat any misconduct or to correct the matters set forth in the notice of discipline. The Employer shall designate a reasonable time period for compliance with the terms of the corrective action. Any subsequent failure to perform the required act or otherwise comply with the corrective action shall immediately subject the Employee to the implementation of the underlying discipline without additional opportunity for corrective action.

11. **Attorneys' Fees and Costs.** In the event it is necessary for either Party to utilize the services of an attorney to enforce any of the terms of this Agreement, the Party which shall substantially prevail shall be entitled to compensation for its reasonable attorneys' fees and costs. In the event of litigation regarding any of the terms of this Agreement, the substantially prevailing Party shall be entitled, in addition to other relief, to such reasonable attorneys' fees and costs as determined by the court.

12. **Dispute Resolution.** In the event of any claims or disputes arising out of this agreement, including whether any termination is properly for cause, or whether any performance review was accurate, the parties hereby agree to submit the same to binding arbitration pursuant to RCW Chapter 7.04A, as supplemented herein, at a location to be mutually agreed upon in Benton

Employment Agreement 2013
Executive Director

Initials SE / TA
Port Commission/ Tim Arntzen

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 either party, after seven (7) days written notice to all other effected parties. The mandatory arbitration rules (MAR) as implemented in Benton County Superior Court, shall be binding as to procedure. The substantially prevailing party in any such dispute shall be entitled to recover a reasonable attorney fee. The foregoing notwithstanding, the parties agree that mediation should precede arbitration, and, if the arbitrator selected believes that good faith mediation has not occurred, the arbitrator, in the arbitrator's sole discretion can adjourn the arbitrator proceedings until such time as mediation has been contemplated. Cost of mediation may be assessed by the arbitrator. If any claim or dispute arises related to whether any disciplinary action is proper, the Employee may waive dispute resolution and file a claim in a court of competent jurisdiction.

A finding to support discipline must be based only on the evidence presented at the arbitration hearing. If the arbitrator does not find that the disciplinary action was based on proper cause, the discipline imposed shall be annulled and, if appropriate, damages may be awarded to the Employee. If the arbitrator concludes that proper cause for a disciplinary action has been established but that a different penalty than that proposed would be more appropriate, the arbitrator shall determine a different penalty, which may be more or less severe, with supporting reasons. The decision of the arbitrator shall be binding upon the parties, provided that either party may appeal to an appropriate court of law.

13. Resignation. If Employee resigns his employment other than for Good Reason (as defined below), the Employer shall have no liability to Employee except to pay Employee's base compensation and any accrued benefits through his last day worked, and Employee shall not be entitled to receive severance or other benefits. If Employee resigns his employment for Good Reason, he shall be entitled to receive all accrued but unpaid salary and benefits through the date of termination plus severance (as defined above). Resignation for "Good Reason" shall mean a resignation based upon a material diminution of base salary; a material diminution in the Employee's authority, duties or responsibilities; an elimination of the Employee's position; a requirement that the Employee report to an officer or employee instead of directly to the board of commissioners; a material diminution in the budget over which the Employee retains authority; a material change in geographic location at which the employee must perform his services; or any other action or inaction which constitutes a material breach of the terms of this Agreement. The Employee must provide notice to the Employer of the occurrence of "Good Reason" for resignation within 90 days of the initial existence of such reason, and the Employer must be given 30 days to remedy the situation.

14. Succession. The conditions, covenants and agreements of this Agreement shall be binding upon the heirs, legal representatives, successors and assigns of all Parties hereto.

15. Conflict. This Agreement is intended to operate as a supplement to the provisions of the Employer's Personnel Manual. However, If there is an irreconcilable conflict between any of the provisions of this Employment Agreement and:

Employment Agreement 2013
Executive Director

Initials  / 
Port Commission/ Tim Arntzen

15.1 Employer's policies as adopted by the Board; or

15.2 The Longevity Compensation Agreement,

the provisions of this Agreement shall prevail.

16. **Severability**. In the event of any of the provisions of the Agreement should violate any law, regulation or regulatory order, consent directive or similar restrictions or agreement, such provision shall be deemed void and of no effect. In such case, the remainder of the provisions of this Agreement shall not be affected. Each term or provision of this Agreement shall be valid and enforceable only to the fullest extent permitted by law. In the event a provision of this Agreement is void and of no effect, as set out herein, neither Party shall have any rights against the other as a result of such determination.


17. **Entire Agreement**. This Agreement contains the entire agreement of the Parties hereto, and except for any agreements stated in writing to survive the execution and delivery of this contract, supersedes all of their previous understandings and agreements written and oral, with respect to the Employer's employment of Employee.

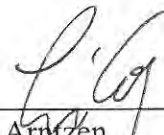
DATED this 15 day of November, 2013.


EMPLOYER:


EMPLOYEE:

PORT OF KENNEWICK
A Washington Municipal Corporation

By: 
Skip Novakovich, President

By: 
Tim Arntzen

By: 
Don Barnes, Vice President

By: 
Gene Wagner, Secretary

Employment Agreement 2013
Executive Director



Initials  
Port Commission/ Tim Arntzen

EXHIBIT “A”

EXHIBIT "B" TO EMPLOYMENT AGREEMENT

LONGEVITY COMPENSATION AGREEMENT

A. **Investment of Longevity Compensation.** The Employer shall deposit \$8,500 (subject to adjustment beginning January 1, 2012 as set forth below) each calendar year for five consecutive years commencing January 1, 2011; and thereafter on the first business day of each thereafter through January 2015, into an approved interest bearing tax exempt trust account for the benefit of the Employee to be accounted for in an individual manner. Said yearly Longevity Compensation investments, plus the earning on those investments while in an approved trust account, shall constitute the entirety of the "Longevity Compensation" under this Agreement. Each annual contribution, commencing with the contribution of January 1, 2012, shall be increased by 3% annually. The Longevity Compensation shall be deposited into a fund of Employer's choice, as permitted by law, or as a salary payout, when earned, as permitted by law. Investment management decisions for the funds deposited into the trust are directed by the trustee or Employer. Employee can express their opinion on investments, but cannot direct the investment. The Employer will receive all statements and deal directly with investment broker or financial institution.

B. **Vesting, Election, and Distribution on Service Date.** Provided that the Employee remains employed by the Employer until December 31, 2015 (hereinafter the "Service Date") all of the Longevity Compensation shall thereupon become fully vested to the Employee and shall be paid to the Employee on or before the 90th day immediately following separation from service at the discretion of the Employer in a single lump sum adjusted for required tax payments under Section E herein, if such be due at that time. Both Employee and Employer elect to defer current and all subsequent years compensation stated in section "A" above until the distribution date which is defined within this agreement.

Distribution of the Longevity Compensation cannot be distributed any earlier than the above stated date; however, IRS allows exceptions for the Longevity Compensation distribution. Distributed of the following events cannot be any earlier than on or before the 90th day immediately following the triggering event for the following allowable IRS exceptions:

1. The date the employee becomes disabled;
2. The employees death;
3. To the extent allowed by the IRS if a change in the ownership or effective control of the organization;
4. When an unforeseeable emergency occurs. An unforeseeable emergency is a severe financial hardship to the employee resulting from an illness or accident of the employee or the employee's spouse, beneficiary, or dependent; loss of employee's property due to casualty; or other similar extraordinary and unforeseeable circumstances arising from events beyond the employee's control. Unforeseeable emergencies are subject to IRS guidelines and are

determined based on the relevant facts and circumstances of each case. The amounts distributed for the emergency must not exceed the amounts reasonably necessary to satisfy the emergency plus amounts to pay taxes reasonably anticipated as a result of the distribution. Other IRS requirements may apply.

C. **Termination of Employment Prior To Service Date.** If, prior to the Service Date, the Employee should voluntarily terminate his employment with the Employer, or be terminated by the Employer for cause as defined in the parties Employment Agreement, the entire Longevity Compensation may be forfeited to the Employer, and the Employer shall then have no further obligation under this Agreement. If the Employer terminates the Employee for reasons other than for cause, a ratable portion of the Longevity Compensation shall become immediately vested and shall be distributed to the Employee in a single lump sum as soon as practicable after such termination. The ratable portion due the Employee shall be the full amount invested by the Port at the time of termination of employment from the inception date specified in paragraph A of this Agreement to the month of the Employee's separation of employment plus the inclusion of all account earnings to the date of separation. However, if employee terminates employment on January 1st, he shall not receive the current year annual amount allocation as described in section A above.

D. **Death.** In the event that the Employee dies while employed by Employer prior to the Service Date of this Agreement, the entirety of the agreed Longevity Compensation amount, plus earnings to date of death, shall become fully vested and shall be paid in a single lump sum either to the estate or to the designated beneficiary of the Employee on or before the 90th day immediately following the Employee's death at the discretion of the Employer in a single lump sum adjusted for required tax payments under Section E herein, if such be due at that time. It is the employee's responsibility to inform the Port of the designated beneficiary and/or estate. If designated beneficiary and/or estate are not named, the Port will retain funds in trust account until notification under Washington State Laws.

E. **Taxes.** If applicable, the Employer shall withhold income and payroll taxes from the final Longevity Compensation payment to the extent required by State or Federal law at the time of the disbursement. The Employer's and Employee share of FICA or other employment taxes with respect to the Longevity Compensation due shall be paid by the Employer out of the Employer's separate funds, and shall not reduce the amount of Longevity Compensation payable to the Employee under this Agreement.

F. **Meaning of Terms.** For purposes of this Agreement:

(1) The Employee's employment shall be deemed to have been "terminated" when the Employee ceases to be classified as an active employee under the Employer's normal employment practices, and the Employee does not continue to perform substantial ongoing services for the Employer in the capacity of an independent contractor; or

(2) The Employee shall be deemed to have "voluntarily" terminated employment (as opposed to having been terminated by the Employer) if the Employee resigns,

quits, or otherwise terminates employment without the Employer having taken any action to request an end to the Employment Agreement; or

G. Supplement to Normal Compensation. The Longevity Compensation provided under this Agreement shall be considered as an income supplement to the normal salary, wages, or other benefits of the Employee, and this Agreement shall not limit the amount of salary, wages, or other benefits that could or would be paid to the Employee in the absence of this Agreement. Whether the vesting or payment of the Longevity Compensation under this Agreement causes the Employee to accrue or receive additional benefits or contributions under any pension, or other plan, shall be determined solely in accordance with the terms of such other plan.

H. No Employment Contract. Nothing contained in this Agreement shall be deemed to constitute an employment contract between Employee and Employer, or to give the Employee any special right to be retained in the employment of Employer, or to enlarge or diminish the Employer's right to terminate Employee's employment

I. General Assets of the Employer. Prior to the payment of Longevity Compensation to the Employee, the amounts invested by the Employer in the approved trust account, or otherwise set aside, or segregated to satisfy the Employer's obligations under this Agreement, shall remain the sole property of the Employer, and the Employee shall have no claim against the Employer for the funds except as a general creditor under this Agreement. Notwithstanding the foregoing, the Employer's obligation to pay the Longevity Compensation within the scope of this Agreement shall be limited to the total amount of the five (5) yearly principal contributions, plus any earnings on those investments, and the Employer shall not be liable for any losses or shrinkage in the value of the Longevity Compensation reserve account resulting from investment losses over the term of the Agreement, should such occur.

J. No transferability. The Employee shall have no right to commute, sell, transfer, pledge, or otherwise convey or encumber the right to receive deferred compensation, other than allowed under Section "D" herein, or to a designated beneficiary upon the death of Employee. The Longevity Compensation shall not be subject to attachment, garnishment or execution, or be transferable in any event until fully earned, or as otherwise required by law.

K. Applicable Law. This agreement shall be governed by and construed in accordance with the laws of the state of Washington.

L. Binding Effect. This Agreement shall be binding on and shall inure to the benefit of any successor of the Employer and to the personal representatives of the Employee.

M. Entire Agreement. This Agreement shall constitute the entire Agreement between the parties involved and any understanding or representation relating to the Longevity Compensation package shall not be binding upon either party except to the extent incorporated in this Agreement.

N. **Renewal.** If Employee is employed by the Employer at the termination of this Longevity Agreement, the Employee shall have the option to enter into a new Longevity Agreement for an additional five year term. The terms of the new Longevity Agreement shall be identical to the terms of the current agreement, except that the term shall extend from January 1, 2016 through December 31, 2020; and the initial Employer deposit shall be \$10,000.

EXHIBIT "C" TO EMPLOYMENT AGREEMENT

PHASED RETIREMENT

At any time while this Agreement is in effect, and upon 90 days advance, written notice to the Employer, Employee may elect to participate in Phased Retirement as described below. The chief advantages of continued association between the Employer and the Employee, on a reduced participation level include the following:

For the Employer:

- retention of trained and qualified personnel, especially for positions that are difficult to fill, such as Executive Director
- continued benefit from the Employee's accumulated experience and skills
- benefit of the Employee's willingness to serve as a mentor
- assistance with effective succession process
- reduced costs achieved through lower salary and benefits expenses, made possible by employees shifting from full-time to part-time status

For the Employee:

- Allow a gradual phase-in to full retirement
- Provide an opportunity for continued association with the Employer

Phased Retirement Status

Phased Retirement Status shall be provided to the Employee if:

1. The Employee has been employed by the Employer for 15 or more years; and
2. The Employee may enter into a two-year Phased Retirement status as follows:
 - a) Year 1: 75% FTE Employee; and
 - b) Year 2: 55% FTE Employee; or the PERS definition of one full service credit.
3. For the first year of Phased Retirement, the Employee shall be employed as Executive Director, at 75% FTE and shall perform the duties of the Executive Director as set forth in this Employment Agreement. Additionally, the Employee shall assist the Employer in performing a job search to assist the Employer in selecting a successor for the job of Executive Director.
4. For the second and final year of Phased Retirement, the Employee shall be employed as Director of Special Projects, at 55% FTE and shall perform the following duties:
 - a. Assist the then current Executive Director in learning his or her role and acting as a mentor; and
 - b. Shall perform other assignments as assigned by the then current Executive Director.
5. During each year of Phased Retirement, the Employee shall:
 - a) Be paid the appropriate pro-rata portion of his total compensation that he was entitled to receive for full-time employment at the time of resignation for each year of Phased Retirement;

- b) Be eligible to receive proportionate salary and merit pay increases;
 - c) Continue to be subject to performance reviews and annual evaluations;
 - d) Receive full medical insurance, state and Employer-sponsored employee benefit and voluntary retirement programs and all other benefits, allowances and compensation that he was entitled to receive for full-time employment at the time of resignation,
 - e) Continue to accrue longevity pay, if otherwise applicable; and
 - f) Receive a pro-rata share of contributions to deferred compensation.
6. Upon successful completion of the first and second years of Phased Retirement, the Employee may, by mutual agreement of the parties, transition to the position of Port Ambassador in accordance with the terms and conditions of the Ambassador Program.
- a) In the event that the foregoing option is exercised, the parties shall enter into an "Ambassador Agreement" that shall set forth the compensation, reimbursement, insurance and other benefits agreed upon by the parties.
 - b) As Port Ambassador, the Employee shall no longer be an employee of the Port and shall become an independent contractor.
 - c) Such appointment shall be irrevocable for a two year period, except in the event that the Employee engages in conduct set forth in Section 7 hereof, at which time the appointment may be terminated as provided therein.

EXHIBIT “D”

2014 ANNUAL PERFORMANCE REVIEW

INDIVIDUAL COMMISSIONER EVALUATION OF EXECUTIVE DIRECTOR

IMPORTANT DUTIES/EXPECTATIONS	PERFORMANCE APPRAISAL		APPRAISER'S COMMENTS
	Met	Not met	
<ul style="list-style-type: none"> ➤ Attach extra papers as necessary ➤ Factors should be reviewed in terms of quality, quantity and timeliness 			
<p>I. <u>Vision and Purpose</u></p> <p>Collaborates with the Commission to advance the Port's vision and purpose. Leads senior staff to develop a concise vision. Advocates the vision by strategic resource allocation toward attainment.</p>			
<p>II. <u>Strategic Agility</u></p> <p>Is proactive; anticipates future trends, benefits and consequences; has broad knowledge and perspective; can objectively state possibilities and probabilities.</p>			
<p>III. <u>Operating Plans</u></p> <p>A. Develops, maintains and implements strategic plans and operational goals that effectively brings the Port's vision to fruition.</p> <p>B. Critical performance elements are monitored to help assure effective and efficient operations and to identify opportunities for policies and procedures improvement.</p>			
<p>IV. <u>Integrity</u></p> <p>Sets the tone for the Port by exemplifying consistent values and high ethical awareness, honesty and fairness.</p>			

	Met	Not met	
<p>V. <u>Financial Stewardship</u></p> <p>A. Maximizes the Port's ability to serve and expand the public purpose while maintaining taxation stability.</p> <p>B. Administers the Port's financial affairs consistent with state law and adopted policies, budget and financial guidelines.</p>			
<p>VI. <u>Political and Institutional Sensitivity</u></p> <p>A. Maneuvers through complex political and institutional situations effectively; anticipates potentially negative reactions, recommends and plans a course of action accordingly; views politics as a necessary part of organizational and public sector life and works to be effective within that reality. Unless otherwise not practical, obtains commission concurrence prior to publicly stating position.</p> <p>B. Develops solutions to complex issues that challenge the Port's ability to recognize its vision and purpose. Demonstrates sensitivity to resource availability when developing solutions.</p>			
<p>VII. <u>Stakeholder Relations</u></p> <p>A. Leads the Port in building effective relationships with tenants, customers and community.</p> <p>B. Effective relations are maintained with other governmental officials, community leaders, citizens, news media, etc., to resolve problems and complaints; to coordinate functions, to gain and provide information and to assemble outside assistance for Port activities.</p>			

	Met	Not met	
<p>VIII. <u>Priority Setting</u></p> <p>Spends time and the time of others on what is important; can quickly sense what will help or hinder accomplishing a goal; eliminates obstacles; creates focus.</p>			
<p>IX. <u>Knowledge</u></p> <p>A. Knows how successful public ports work; knowledgeable in current and possible future practices, trends and information affecting port management, the port industry and our Port; knows the competition; is aware of how strategies and tactics work in the marketplace.</p> <p>B. Maintains a favorable presence within the region, state and industry that results in an increased knowledge of initiatives, trends, practices and legislation that may affect the Port.</p>			
<p>X. <u>Decision Quality</u></p> <p>Makes good decisions based on analysis, wisdom, experience and judgment; most solutions and suggestions turn out to be correct when judged over time.</p>			
<p>XI. <u>Entrepreneurial</u></p> <p>A. Demonstrates an entrepreneurial spirit by identifying ways to generate revenue, investment capital and maximizes the financial potential of existing port assets.</p> <p>B. Brings recommended opportunities to the Commission's attention. Recommendations include financial projections, as well as potential public opinion concerns (risk/reward analysis).</p>			

	Met	Not met	
<p>XII. <u>Leadership/Management</u></p> <p>A. Rallies support behind the vision and strategic plan; makes the vision sharable by everyone; can inspire and motivate staff and community.</p> <p>B. Creates an environment where employees at all levels contribute their knowledge, skills, abilities and ideas in a way that maximizes their potential. Employee potential is not limited by divisional walls or job title. Appropriately delegates to others. Is a good judge of talent; hires the best people available inside or outside the organization.</p> <p>C. Creates a climate in which people want to do and can do their best; can motivate team or project members; empowers others; invites input and shares ownership and visibility. Makes each person feel his/her work is important.</p> <p>D. Assists the Commission in defining its shared vision. Communicates that direction to the organization. Advises the Commission on challenges and threats to the Port's ability to be successful.</p> <p>E. Effectively manages staff relations consistent with port policies.</p> <p>F. Manages the administration and operations of the Port consistent with the delegation of authority as adopted and/or modified by the Board of Commissioners.</p>			
<p>XIII. <u>Initiative</u></p> <p>Self-starting ability. Promptly takes hold and follows through with minimum direction.</p>			

	Met	Not met	
<p>XIV. <u>Courage</u></p> <p>Willingness to state opinions and reasons without concern about the popularity of the views. Forthrightness in dealing with customers, suppliers, and others in the organization.</p>			
<p>XV. <u>Persuasiveness</u></p> <p>Ability to sell a sound course of action. Persuasive ability in oral and written presentations.</p>			
<p>XVI. <u>Adaptability</u></p> <p>Ability to adjust to changing conditions or unusual assignments. Flexibility in undertaking a variety of assignments, acceptance of decisions which go counter to own opinion.</p>			
<p>XVII. <u>Stamina</u></p> <p>Physical vigor. Ability to stand up under heavy requirements including foreign or domestic travel.</p>			
<p>XVIII. <u>Ambition</u></p> <p>Desire to get ahead and willingness to make sacrifices necessary for progress.</p>			
<p>XIX. <u>Loyalty</u></p> <p>Understanding and acceptance of goals and policies of the organization. Willingness to support organization and management.</p>			
<p>XX. <u>Communications</u></p> <p>Intent and effectiveness in exchanging significant information to all levels in the organization, to clients, vendors, and the public.</p>			

	Met	Not met	
XXI. <u>Listening</u> Interest and ability to receive and process information accurately. Able to overcome personal biases or defensiveness in so doing.			

Commissioner Comments: _____

November 30, 2020

Commissioner Don Barnes
Commissioner Skip Novakovich
Commissioner Tom Moak

Commissioners:

This e-mail is my request for the port commission to renew the longevity provision contained in my employment agreement. Prior to making this request, however, I wish to thank the commission for my recent performance review where the commission rated my performance as "exceptional". Thank you for your continued confidence in me.

The longevity provision provides that should I remain employed by the port for five years, I am awarded PTO compensation. This provision has been in the employment agreement for two previous terms of five years each (from my age 50 to 55; and from age 55 to 60). I will reach age 60 in January; and I will reach the conclusion of the second five-year longevity term at the end of December. Hence, this is my request to extend the longevity provision for an additional five-year term.

Thank you for your consideration. I look forward to continuing to work for the commission and with staff to implement the port's important projects.

Sincerely,

Tim Arntzen
CEO

PORT OF KENNEWICK

Resolution No. 2020-30

***A RESOLUTION OF THE PORT OF KENNEWICK
BOARD OF COMMISSIONERS
APPROVING THE RENEWAL OF THE CEO'S LONGEVITY AGREEMENT***

WHEREAS, the Chief Executive Officer's Employment Agreement includes a Longevity Agreement. The Longevity Agreement was renewed in 2015 for a second five-year term ending December 31, 2020. In order to maintain stability in the key position of CEO for the Port, the Port has utilized a retention agreement; and

WHEREAS, on November 30, 2020, the Chief Executive Officer requested the Commission renew the longevity provision contained in his employment agreement.

NOW, THEREFORE, BE IT HEREBY RESOLVED the Board of Commissioners of the Port of Kennewick hereby approves renewing the CEO's Longevity Agreement for a five-year term ending December 31, 2025.

ADOPTED by the Board of Commissioners of the Port of Kennewick this 8th day of December, 2020.

***PORT of KENNEWICK
BOARD of COMMISSIONERS***

By: _____
DON BARNES, *President*

By: _____
SKIP NOVAKOVICH, *Vice President*

By: _____
THOMAS MOAK, *Secretary*