



# REGULAR COMMISSION MEETING

PORT OF KENNEWICK

OCTOBER 23, 2012 MINUTES

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## CALL TO ORDER

Commission President Skip Novakovich called the 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:** Skip Novakovich, President  
Don Barnes, Vice-President  
Gene Wagner, Secretary

**Staff Members:** Tim Arntzen, Executive Director  
Tana Bader Inglima, Director of Governmental Relations & Marketing  
Tammy Fine, Director of Finance/Auditor  
Larry Peterson, Director of Planning  
Teresa Hancock, Real Estate Specialist and Special Projects Coordinator  
Bridgette Scott, Executive Assistant  
Lucinda Luke, Port Counsel

## PLEDGE OF ALLEGIANCE

Johan Hellman, from the Washington Public Ports Association (WPPA), led the Pledge of Allegiance.

Mr. Novakovich requested to discuss item VII. C. "Bruker Elemental, Manufacturer of the Year Award" after the first session of Public Comments. The Commission is in consensus.

Mr. Arntzen introduced Johan Hellman from the WPPA. Mr. Hellman is touring some of the ports east of the mountains to view the properties and receive an update on current projects. Mr. Hellman gave a brief update on the activities of WPPA and the legislative issues of current interest.

## PUBLIC COMMENTS

Marjy Leggett, Vista Field Airport Support Network Volunteer, 4019 Horizon Drive, Pasco. Ms. Leggett noticed the 2013 Budget allotted \$361,469 for Vista Field. Ms. Leggett reviewed past budgeted numbers: \$144,679 in 2008, a little over \$50,000 in 2009, \$53,490 in 2010, \$75,000 in 2011, and \$73,000 in 2012. Ms. Leggett inquired if the 2013 budget includes the DPZ study and requested clarification. Mr. Arntzen suggested Ms. Leggett contact Ms. Fine to review the budget. Ms. Leggett stated the "Pilot Getaways" magazine recommended traveling to Walla Walla. She feels it would be wonderful if the magazine featured Vista Field.

Ed Frost, 609 W. Albany Avenue, Kennewick. Mr. Frost inquired about the sequence of events on the agenda. He reiterated at the last Commission Meeting the 2013 Work Plan presentation, a memorandum drastically altering the Work Plan was discussed, and the 2013 Budget that addresses the original Work Plan was approved. He stated that it looks like the Commission will approve a budget today, that should be driven by a Work Plan, and then later on discuss changes in the Work



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Plan. Mr. Frost hopes the Work Plan will drive the Budget and there is discussion and explanation of the amended Work Plan prior to the Commission adopting the budget. Ms. Fine will be addressing these concerns during the budget presentation. Mr. Arntzen feels as the Work Plan is discussed that it will be knitted together.

No further comments were made.

## REPORTS COMMENTS AND DISCUSSION ITEMS

### A. *Bruker Elemental, Manufacturer of the Year Award*

Mr. Peterson stated Bruker Elemental, a tenant since the 1980's in the Vista Field Development Buildings, recently won a "Manufacturer of the Year" award. Mr. Peterson commented the 2013 Work Plan includes funding for improvements of the building. John Landefeld and Jerry Sooter of Bruker Elemental gave a brief overview of the company.

Mr. Arntzen requested Item V. A. "Public Records Request Process" be moved before the Consent Agenda. The Commission is in consensus.

## NEW BUSINESS

### A. **Public Records Request Process, Ramsey Ramerman**

Ms. Fine stated Ramsey Ramerman will be joining the meeting via telephone conference. Mr. Ramerman joined the City of Everett City Attorney's Office in August 2009. Over the last several years, Mr. Ramerman has focused on open government issues, particularly Public Records Act ("PRA") education. He currently serves as the vice president of the Washington Association of Public Records Officers ("WAPRO"), a group formed to standardize and increase the availability of PRA training. Mr. Ramerman also serves as the local government representative on the State Sunshine Committee that is reviewing the exemptions to the Public Records Act.

Mr. Ramerman provided a description of a "public record" and the many reasons why it may take an agency a long time to process a request. Mr. Ramerman and Scott Sackett, from the Washington State Archives, will provide a special training on Public Records Requests and Records Management on October 30, 2012.

## CONSENT AGENDA

Mr. Novakovich commented Consent Agenda items are a number of items taken collectively in one motion to be approved or disapproved. He further stated the Commission has the option to remove items from the Consent Agenda.

Mr. Novakovich would like to remove Item C and have the item approved separately because on April 12, 2011, he disclosed that Esprit, the company he and his wife own, has a contract with PS Media to produce the Port's newsletter. Esprit does not get paid directly from the Port; they get paid from PS Media. Item C is the payment to PS Media and in the interest of any kind of perception that there could be a conflict, he would like to recuse himself from any action on this item.





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**MOTION:** *Commissioner Novakovich moved to remove Item C from the consent agenda for separate discussion and approval; Commissioner Wagner seconded. All in favor 3:0. With no further discussion motion carried unanimously.*

The consent agenda consisted of the following:

**A. Approval of Direct Deposit and Warrants Dated October 15, 2012**

Direct Deposit totaling \$22,488.64 and Expense Fund Voucher Numbers 33655 through 33658 totaling \$4,245.00; for a grand total of \$26,733.64.

**B. Approval of Warrant Registers Dated October 24, 2012**

Expense Fund Voucher Numbers 33659 through 33689 and 33691 through 33714 totaling \$97,725.23.

Construction Fund Voucher Numbers 3343 through 3352 totaling \$38,990.14.

**C. Approval of Warrant Register Dated October 24, 2012**

Expense Fund Voucher Number 33690 in an amount totaling \$5,786.03.

**D. Approve Amended Ambassador Policy; Resolution 2012-53**

**E. Approval of Special Commission Meeting (Planning Workshop) Minutes Dated September 25, 2012**

**F. Approval of Commission Meeting Minutes Dated September 25, 2012**

**G. Approval of Special Joint Commission Meeting Minutes Dated September 25, 2012**

**MOTION:** *Commissioner Barnes moved approval of Consent Agenda Items A, B, D, E, F and G, with Item C to be approved separately; Commissioner Wagner seconded. All in favor 3:0. With no further discussion motion carried unanimously.*

**MOTION:** *Commissioner Wagner moved approval of Item C on the Consent Agenda for payment to PS Media; Commissioner Barnes seconded. All in favor 2:0. Commissioner Novakovich abstained. With no further discussion motion carried.*

## NEW BUSINESS (continued)

**B. Tri-Cities Airport Citizens Advisory Group**

The Port received a letter dated October 11, 2012 from Ron Foraker, the Tri-Cities Airport Director, inviting the Port of Kennewick to participate in a Citizens Advisory Group that will meet periodically with Mead & Hunt, the Port of Pasco's consultant, to assist the Port of Pasco with specific goals related to the plans to expand the Tri-Cities Airport Terminal Building.

**MOTION:** *Commissioner Wagner moved to appoint Commissioner Don Barnes serve on the Port of Pasco's Citizens Advisory Group; Commissioner Novakovich seconded. All in favor 3:0. With no further discussion motion carried unanimously.*



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## **C. 2013 Final Budget Hearing / Adoption**

### **A. 2013 Final Budget Hearing / Adoption**

Ms. Fine stated Mr. Frost inquired at the last Commission Meeting why the Work Plan changes are not reflected in our current budget. Ms. Fine discussed the unanticipated costs in the operating budget. In the normal operations of the Port, the expenses are monitored and a budget amendment is brought to the Commissioners when necessary. Ms. Fine reviewed various expense line items; a line item has been included for Public Records Requests. Ms. Fine discussed the amount with Mr. Ramerman, and set aside 1.5% of the Port's operating expenses; which is also 1.5% of the property taxes received, to respond to all public records requests for 2013. For every \$100 the Port collects from property taxes, \$1.50 will be spent on public records requests. Mr. Ramerman stated this amount is above what the other government agencies have put aside. Ms. Fine contacted all the port districts and not too many of them have a lot of expenses associated with public records requests. Mr. Ramerman feels 1.5% is a sufficient and defensible amount. Ms. Fine is not proposing any changes to the operations or capital line items. The funds are budgeted for anticipated projects; however, Mr. Arntzen will present a revised Work Plan memo that states the Port will probably not be able to get to the projects. The budget is monitored closely and if expenditures will exceed the budgeted amount, Ms. Fine will present a budget amendment. Ms. Fine recommends the Commissioners help prioritize the capital projects, so that the biggest, highest and most important projects for the taxpayers are addressed first.

Mr. Novakovich inquired if 1.5% budgeted for public records requests is sufficient. Mr. Ramerman recommended the Port not budget more than 1.5% as essential tasks may not be performed.

Ms. Fine presented resolutions for the 2013 budget adoption, levy certification, increase in tax capacity and improved budget goals for approval.

Mr. Novakovich opened the Public Hearing for comments.

Anita Young, 1808 S. Ione, Kennewick. With regard to Resolution 2012-52, Ms. Young inquired if a prior resolution can amend a budget item from two years ago. Ms. Fine clarified that the resolution is regarding budget goals. Four new items will be added to the four original goals listed in the 2010 resolution.

Ed Frost, 609 W. Albany, Kennewick. Mr. Frost inquired if Mr. Arntzen can explain his recommended changes to the work plan addressed in his memorandum prior to adopting the 2013 budget. Mr. Frost asked if there are changes in the work plan.

Mr. Arntzen stated the memo presented on October 9, 2012 is the same. It is not an actual amendment of the Work Plan; it is more of a philosophy. However, the Port will work on projects based on the memo instead of the work plan approved by the Port Commission on September 25, 2012. The order of projects is: the public records request submitted August 2011; the public records request submitted September 20, 2012, Vista Field Study, and the





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potential lawsuit. These items become the essential work plan. The remaining projects will be addressed if time or funding is available. Mr. Arntzen reviewed some of the items that could be reduced or unfunded.

Mr. Frost stated he could understand changing the work plan if the public records request takes 25% of staff time or the budget. He recalled the Port stated they will spend 1.5% of the total budget on public records requests. He feels unless more time is spent on the records requests, then the work plan should not be discarded.

Mr. Arntzen stated it is more than public records requests. It includes the Vista Field study, the potential lawsuit, which could blossom into a major undertaking and any unanticipated tactics that may surface.

Mr. Novakovich stated the Port cannot put the Work Plan as a priority when we have issues we are legally bound to address. We will fill in from the Work Plan as resources become available. The Port is not scrapping the Work Plan; however, the Port will address the five items in the memo first.

Mr. Arntzen stated the 1.5% number is produced by the lawyers to make sure they do not run afoul of judicial interpretations. The 1.5% does not have same bearing with how he runs the Port. There are times when more than 1.5% is spent on public records requests. For example, Ms. Fine tracked her time spent on the first public records request, which was 56%. Ms. Fine is an essential key member of the Port; she works on the financials, warrants, payroll, auditing, annual financial statements, and budgeting. There are essential tasks she needs to perform and instead of working on the public records requests, she will need to shift those responsibilities to Ms. Scott, Ms. Luke or other staff members. Everything the Port does impacts Ms. Fine's department.

Mr. Novakovich stated the Port is also under contract for many current projects that will be completed. Mr. Arntzen feels 1.5% is a hard number to quantify. He feels the five items consume about 70% of his time. The 1.5% is a number suggested by our attorneys to keep the Port out of trouble. Mr. Arntzen stated the Port has a very robust record of being busy.

Brent Gerry, 5401 Kalakaua Court, West Richland. Mr. Gerry thanked the Port Commission and staff for our partnership. He understands it is a trying budgetary time for cities, ports and all jurisdictions. Mr. Gerry shared that partnerships are very important to the City of West Richland; we will stand behind the Port in their trying times with unfunded mandates. There are more victims besides Commission and staff; the real victims of the public records requests are the taxpayers and the citizens in the Port of Kennewick. All taxpayers and citizens need to understand that because of special interest individuals, that have one priority that may be for himself, thousands of people suffer the consequences; which he feels is unjustifiable. Mr. Gerry stated it is very important to have the Port's support because West Richland is seeking an Urban Grown Area (UGA) expansion, which is not easily obtained. The finances they may lose in 2013, which is the only time they can apply, is very important. If the UGA is not completed in 2013, it will be five years before



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West Richland can apply again. The consequences of these types of actions are broad and may affect many people.

There were no further public comments. The public hearing is closed and Mr. Novakovich requested Commissioner's comments. No comments were made.

***MOTION:*** Commissioner Barnes moved approval of Resolutions 2012-49, Resolution 2012-50, Resolution 2012-51 and Resolution 2012-52 regarding budget adoption, levy certification, increase in tax capacity and improved budget goals; Commissioner Wagner seconded, with no further discussion motion carried unanimously. All in favor 3:0.

## REPORTS COMMENTS AND DISCUSSION ITEMS (continued)

### **B. Vista Field**

1. The kick-off meeting will be held at 7:00 p.m. – 9:00 p.m., November 5, 2012 at the Tri-Cities Visitor Convention Bureau, Bechtel Board Room, 7130 West Grandridge Blvd, Kennewick.
2. The Charrette Meetings will be held 9:00 a.m. – 5:00 p.m. and 7:00 p.m. – 9:00 p.m. on November 7 and 8, 2012 at the Three Rivers Convention Center, 7106 W. Grandridge, Kennewick. It is not necessary to attend the entire meeting; the public may drop in at anytime to share their ideas or ask questions of the consultant team. Invitations will be emailed and regular mailed to stakeholders. The public may send questions and/or comments to [vistafield@portofkennewick.org](mailto:vistafield@portofkennewick.org). In addition, the Port's website will be updated with all of the information related to the study. An advertisement will be placed in the Tri-City Herald on Sunday, and on three additional dates.

Mr. Barnes reiterated this is a public process; the Commission and staff will not attend or participate at the meetings. Mr. Peterson will attend only to answer questions the consultant does not know.

Mr. Arntzen stated Steve Mallory, formerly of Arculus, had over 100 people involved in the Columbia Drive conceptual plans. Mr. Arntzen is hopeful the Charrette will have tremendous public participation.

### **C. Amended 2013 Work Plan Memo**

Mr. Arntzen briefly discussed the changes to the work plan and requested the Commission discuss any concerns with him.

### **D. Special Commission Meeting, October 30, 2012 at 2:30 p.m.**

Ms. Fine stated the Special Meeting is scheduled for Ramsey Ramerman to present information regarding the Public Records Act and State Archivist Scott Sackett to present information regarding records management.

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

Commissioners reported on their respective committee meetings.





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## **F. Non-Scheduled Items**

1. Mr. Peterson attended a public hearing at the City of Kennewick regarding a Comprehensive Plan Amendment considering 10 acres NE corner of the Vista Field runway across from Lawrence Scott Park. Currently it is zoned single family residential and the Port had concern about how high-density residential, potentially 270 housing units, would impact the airport. Mr. Peterson questioned Washington State Department of Transportation (WSDOT) Aviation and they reminded the City of an RCW that requires formal consultation process before a land use action is taken. The City Council received all the input and directed City staff to start the formal consultation process with WSDOT Aviation. The Port will be invited to participate; however, the discussion is really between WSDOT Aviation and the City. This is the first project in eight years where a land use action outside the fence may be impacted by the existence of Vista Field. The dates are not scheduled for the formal consultation process, but it is set to go before the City council on December 4, 2012.
2. Mr. Peterson stated a Duffy's Pond Stakeholder's meeting will be held at the Port office on Monday, October 29, 2012 at 1:30 p.m.. The stakeholders, Corps of Engineers, City of Kennewick and Port, and interested parties will discuss set backs from Duffy's Pond and what that will mean for development.
3. Mr. Arntzen suggested the Commission begin considering the 2013 Committee Assignments.

## **PUBLIC COMMENTS**

Mike White, 1118 W. 22<sup>nd</sup> Ave., Kennewick. Mr. White read a letter into the record. (EXHIBIT 1)

Carl Holder, 402 W. Lewis, Pasco. Mr. Holder a letter into the record. (EXHIBIT 2)

Steve Mallory, 5822 W. Yellowstone, Kennewick. Mr. Mallory attended the planners meeting at the City of Kennewick. They do have some things to review with regard to the airport. Mr. Mallory shared his appreciation for the work that is continuing on Columbia Drive. Mr. Mallory has met with over 100 individuals and stakeholders and has received close to 1,000 inquiries about Columbia Drive. The people he has spoken with are very supportive of Columbia Drive, he encouraged the Port to keep working on it. Mr. Mallory feels the parking area in the Willows was a great idea. Mr. Mallory stated a design Charrette not only gets the people going at Vista Field, but it also allows public participation, which he feels is crucial.

Brent Gerry, 5401 Kalakaua Court, West Richland. Mr. Gerry resides in the port district and is a tenant at the Clover Island Marina. Mr. Gerry reminded the Commission that the marina is a revenue generator for the Port. He stated the facility is beautiful, and as elected officials, health safety is a priority. Over the summer months he, and other tenants, made the observation that security is lacking at the marina gates. He is aware that the Port has reviewed different types of cameras. He has observed people leaving gates open, transients or people entering the docks that are not authorized, staying on boats, he has also observed it is easy to walk-around the marina gates. In a safety aspect, he believes this issues needs to be reviewed to see how the security at the marina can be enhanced. Mr. Gerry feels a portion of the marina revenue should be dedicated to the improvement of security, as well as the maintenance of the marina. Mr. Gerry thanked staff for a



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wonderful summer; staff did a wonderful job.

Jim Hodge, 503 Paver, Benton City. Mr. Hodge stated after listening to Mr. Gerry explain the amenities at the marina, he feels it would be nice to have at least one of the amenities at the airport, for example, trash service.

No further public comments were made.

Mr. Novakovich anticipates the Executive Session to last approximately 20 minutes for Personnel, per RCW 42.30.110(1)(g), with possible action anticipated. Mr. Novakovich asked the public to notify Port staff if they will return after the executive session.

Mr. Novakovich recessed the meeting at 4:16 p.m. for approximately 5 minutes.

Mr. Novakovich reconvened the meeting into Executive Session at 4:21 p.m. to last approximately 20 minutes, with possible action expected.

## EXECUTIVE SESSION

### *A. Personnel, per RCW 42.30.110(1)(g)*

Ms. Scott entered and exited the chambers at 4:41 p.m. to extend the Executive Session 2 minutes.

Executive Session adjourned at 4:43 p.m. with no action taken.

The regular meeting reconvened at 4:43 p.m.

## ADJOURNMENT

With no further business to bring before the Board; the meeting was adjourned at 4:44 p.m.


**APPROVED:**

**PORT of KENNEWICK**

**BOARD of COMMISSIONERS**

  
Skip Novakovich, President

  
Don Barnes, Vice President

  
Gene Wagner, Secretary



**Public Comment to the Commissioners to The Port of Kennewick, October 23, 2012**

10-23-2012

Mike White  
1118 W. 22<sup>nd</sup> Ave.  
Kennewick, WA 99337  
Port of Kennewick, Dist. 1

Commissioners:

On the morning of Sunday October 7 my wife, Kathy, and I took off from Richland Airport in our Cessna Cardinal on what was to be a two week trip, primarily to attend the Aircraft Owners and Pilots Association "Aviation Summit" in Palm Springs but also to sight-see and visit family. In the process we visited 15 airports where we either bought fuel, meals and/or overnighted.

We bought fuel in Burns, OR, Winnemucca, NV, Tonopah, NV, Daggett, CA, Palm Springs, CA, Chandler, AZ, Sedona, AZ, Colorado City, AZ, Ely, NV and Lakeview, OR. We secured lodging in Tonopah, NV, Palm Springs, CA, Sedona, AZ, Ely, NV and Cedarville, CA. We also bought food in most of the above places and others.

In the process we saw spectacular sights by flying over or driving by on the ground at: Sedona, AZ, Meteor Crater near Winslow, AZ, Grand Canyon, etc.

These are some examples of the many economic and other benefits that General Aviation airports can afford to their communities if properly managed, which, presently, Vista Field, is not! With proper and appropriate attention Vista Field could be as inviting as Clover Island.

One of our most notable experiences was at our first fuel stop, at Burns, OR. On arrival I taxied to the fuel area and, on preparing to refuel the plane, a man in a four-wheeler raced out to help. He was Bryan Hutchison, the Airport Manager. Bryan set the ladder to my high-wing fuel tanks and proceeded to help me with the fueling.

After fueling, I taxied back to the General Aviation terminal and we had a conversation with Bryan. He explained that the City of Burns, owner of the airport, realizing several years ago, that the airport needed more on-site representation, appointed him to be there pretty much 24-7 to assist flyers and represent the airport.

He went on to say that they now had four courtesy cars and other equipment like snow plows that he had researched and procured, cost-free from Federal sources. It is interesting that the City of Burns realizes the economic advantage of supporting their airport and actively promotes it while the Port of Kennewick can't do it or, in reality, does not want to do it.

RCW 53.04.010 describes actions authorized by port Districts. It does not list urban development. It does specifically list, "... acquisition, construction, maintenance, operation, development and regulation within the district of (various facilities, including) ... **air transfer and terminal facilities** ...".

Commissioners: When are you going to start supporting Vista Field per the RCW? & THE AIRPORT  
70302

Public Comment:  
Port of Kennewick Monthly Meeting  
October 23, 2012

Key dates are:

November 1<sup>st</sup> - Last day to submit comments on the Scope of the EIS for Vista Field;  
November 5<sup>th</sup> – 7pm-9pm Kickoff meeting-Initial presentation by DPZ team;  
November 7<sup>th</sup> – 9am-5pm Planning Charrette aka “Hands on Workshop” [spend a ½ hour or ½ day]

I have considered the dates of the EIS Scoping, and the Planning Charrette

What is a Charrette? Isn't the internet wonderful! I found this great DOE handbook.

**Charrettes for High-Performance Projects. A Handbook for Planning and Conducting Charrettes for High-Performance Projects**

Knowing a charrette's expected benefits and outcomes are important first steps.  
Is the project sufficiently developed to benefit from a charrette.

What is a Charrette?

A charrette is a creative burst of energy that builds momentum for a project and sets it on a course to meet project goals. It can transform a project from a static, complex problem to a successful, buildable plan.

Charrette planners and facilitators use strategic planning to overcome conflict. Part of their strategy is to focus on the *big picture* and the *details* of a project to produce collaborative agreement about specific goals, strategies, and project priorities. Charrettes establish trust, build consensus, and help to obtain project approval more quickly by allowing participants to be a part of the decision-making process.

As a building project moves from inception to completion, it passes through predesign, conceptual design, and design development phases. As the design process continues, more decisions are made about the final building design (Figure 1).

Charrettes are most useful during the predesign phase—before important design decisions for the building form, fabric, and equipment are finalized. The benefits of using charrettes early in the high-performance design process are many. Most importantly, charrettes can save time and money and improve project performance. In general, charrettes:

- Provide a forum for those who can influence design decisions to meet and begin planning the project.
  - Encourage agreement about project goals.
  - Kick off the design process.
  - Save time and money by soliciting ideas, issues, and concerns for the project design to help avoid later iterative redesign activities.
- Promote enthusiasm for a project and result in early direction for the project outcome.

SO, A charrette is an intensive workshop in which various stakeholders and experts are brought together to address a particular design issue.



The Close of Scoping should follow the Charrette, especially because, as I predict, the outcome of the Charrette will undoubtedly diminish the "redevelopment option" possibly to the dustbin of history and refocus the study energy and focus on the true Vision of Vista, the airport's transformation into a premier AEROTROPOLIS.

So, postpone the closing of Scoping until AFTER the Charrette. This delay will allow the Port of Kennewick the cover to drop redevelopment option, admit that the Port's responsibility is custodian of an invaluable asset, an off-ramp from the superhighway in the sky. That YES this board has unanously voted to maintain and develop.

Respectfully submitted:

Carl Holder  
PO Box 1316  
Pasco WA 99301

# **PORT OF KENNEWICK**

## **RESOLUTION NO. 2012-49**

### **A RESOLUTION OF THE BOARD OF COMMISSIONERS OF PORT OF KENNEWICK ADOPTING THE 2013 BUDGET**

**WHEREAS**, the Board of Commissioners of Port of Kennewick met at a regular meeting on October 23, 2012, a quorum of the Commission being present; and

**WHEREAS**, Port of Kennewick has properly given notice of the public hearing held on October 9, 2012 to consider Port of Kennewick's Budget for the 2013 calendar year, pursuant to RCW 84.55.120; and

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Commissioners of the Port of Kennewick after a public hearing, and after duly considering all relevant evidence and testimony presented, has adopted the attached budget for Port of Kennewick for the year 2013.

**ADOPTED** by the Board of Commissioners of Port of Kennewick at its regular meeting on October 23, 2012.

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

By:   
SKIP NOVAKOVICH, President

By:   
GENE WAGNER, Vice President

By:   
DON BARNES, Secretary



## PORT OF KENNEWICK

	<u>2013 BUDGET</u>
BEGINNING CASH BALANCES	\$ 6,122,682
<b>ANTICIPATED REVENUES</b>	
Industrial/Ag Leases	\$ 657,201
Marina Leases	\$ 294,455
Boat Haul Out Revenue	\$ 8,011
Airport Leases	\$ 49,318
<i><b>Total Operating Revenues</b></i>	<i><b>\$ 1,008,985</b></i>
Gain From Property Sales	\$ 50,000
Ad Valorem Tax	\$ 3,396,443
Interest Income	\$ -
Miscellaneous	\$ -
<i><b>Total Non-Operating Revenues</b></i>	<i><b>\$ 3,446,443</b></i>
<i><b>Total Anticipated Revenues</b></i>	<i><b>\$ 4,455,427</b></i>
<b>TOTAL AVAILABLE FUNDS</b>	<b>\$ 10,578,110</b>
<b>LESS ANTICIPATED EXPENSES</b>	
Airport Operations and Maintenance	\$ 361,469
Marina Operations and Maintenance	\$ 94,354
Property Lease/Rental Operations and Maintenance	\$ 942,726
General and Administrative	\$ 1,728,410
Non-Operating Expenditures	\$ 190,456
<b>TOTAL ANTICIPATED EXPENSES</b>	<b>\$ 3,317,414</b>
<i><b>TOTAL AVAILABLE FUNDS LESS EXPENSES</b></i>	<i><b>\$ 7,260,696</b></i>
LESS FUNDS FOR PROJECTS & EQUIPMENT (except Industrial development and promotional hosting expenditures)	\$ 4,710,763
LESS INDUSTRIAL DEVELOPMENT EXPENDITURES	\$ -
LESS PROMOTIONAL HOSTING EXPENDITURES	\$ 9,500
ENDING CASH ON HAND	
RESERVE FUNDS	
UNRESTRICTED FUND BALANCES	\$ 2,500,000
<i><b>TOTAL UNRESTRICTED AND RESERVE FUNDS</b></i>	<i><b>\$ 40,434</b></i>

# MEMORANDUM

**Date:** October 23, 2012  
**To:** Tim Arntzen and Commissioners  
**From:** Tammy Fine, CPA, CFE  
**RE:** 2013 Preliminary Budget Revision

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This memo addresses the public comment regarding revising the Port's budget to reflect the proposed changes in work plan due recent unanticipated events. The Port of Kennewick's budget is based on past practices, future economic trends, projections, current contracts as well as other relevant budget information.

For 2013 operating budget, the Port did increase the budget for unanticipated legal fees. Port staff monitors expenses closely and if needed can reallocate capital, use unanticipated revenues, or reallocate unexpended budgeted items to cover any overages. Furthermore, as a general business practice, the Port performs budget amendments for the Commissioners to approve when expenses are expected to exceed the budgeted amounts. As for the public records request, the Port's 2013 budget allocated \$50,000 towards responding to public records request. This is 1.5% of the Ports total budgeted expenses, and 1.1% of total revenues, and 1.5% of property taxes (for every \$100 taxes collected \$1.50 goes toward responding to two individual public records requests). This allocation appears to be above other government practices and Ramsey Ramerman, Public Records Request Attorney, believes this is adequate to anticipate for responding to all public records based on the Ports resources and staffing levels.

2013 capital expenses is a general guideline of anticipated capital projects. The Port amends their capital line items periodically throughout the year. If the Port is not able to perform the capital improvements in the 2013 budget due to staff resources allocated to the recent unanticipated events, it would allow funding to be carried forward to 2014 or be used for unanticipated expenses. Based on past practices, the Port has never completed all projects listed in the work plan or in the budget. Furthermore, the amendment of the work plan will postpone capital improvements until major essential task are completed.

In conclusion, staff will continue to monitor the budget for these unanticipated items through the normal course of the budgeting and financial operations and advise Commissioners of any potential amendments. However, due to limited staffing resources due to several unanticipated events, I do recommend Commissioners rank capital projects to ensure the projects with the highest impact to the Port are completed first.

Please let me know if you have any questions or concerns.

Thanks,

Tammy Fine, CPA, CFE



# PORT OF KENNEWICK

## RESOLUTION NO. 2012-50

### A RESOLUTION OF THE BOARD OF COMMISSIONERS FOR THE PORT OF KENNEWICK CERTIFYING THE PORT'S 2012 LEVY FOR 2013 COLLECTION

**WHEREAS**, the Board of Commissioners of the Port of Kennewick met and considered its budget for the calendar year 2013 at a regular meeting on October 23, 2012, a quorum of the Commission being present; and

**WHEREAS**, a legal notice of public hearing on the Preliminary Budget of Port of Kennewick for the calendar year of 2013 was published in accordance with RCW 53.35.020, RCW 53.35.045 and RCW 84.52.020, and such hearing being held on the 9th day of October, 2012; and

**WHEREAS**, the Port's actual levy amount from the previous year was \$3,277,002; and

**WHEREAS**, the population of the Port is more than 10,000; and

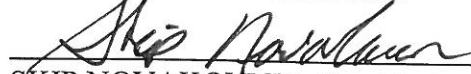
**WHEREAS**, the Board of Commissioners of Port of Kennewick after hearing and after duly considering all relevant evidence and testimony presented, determined that the Port of Kennewick requires a regular levy in the amount of \$3,600,000.00, which includes an increase in property tax revenue from the previous year, amounts resulting from the addition of new construction, improvements to property, any increase in the value of state-assessed property, and amounts authorized by law as a result of any annexations that have occurred and refunds made, in order to discharge the expected expenses and obligations of the district and in its best interest.

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Commissioners of the Port of Kennewick substantiate that an increase in the regular property tax levy is hereby authorized for the levy to be collected in 2013 tax year. The dollar amount of the increase over the actual levy amount from the previous year shall be approximately \$36,000, which is a percentage increase of 1% from the previous year. This increase is exclusive of additional revenue resulting from new construction, improvements to property, newly constructed wind turbines, any increase in the value of state assessed property, any annexations that have occurred and refunds made.

**BE IT FURTHER RESOLVED** that the Board of Commissioners of the Port of Kennewick hereby direct the Director of Finance/Auditor to certify a copy of this resolution and forward the same to the Clerk of the Board of the County Commissioners in accordance with RCW 84.52.020.

**APPROVED** and dated by the Commissioners of the Port of Kennewick at its regular meeting on October 23, 2012.

**PORT of KENNEWICK  
BOARD of COMMISSIONERS**

  
SKIP NOVAKOVICH, *President*

  
GENE WAGNER, *Vice President*

  
DON BARNES, *Secretary*

## CERTIFICATION OF TAX LEVY

### STATE OF WASHINGTON County of Benton

In accordance with RCW 84.52.020, I, **Tammy Fine**, Director of Finance/Auditor for Port of Kennewick, do hereby certify to the Benton County legislative authority that the Commissioners of said district request that the following levy amounts be collected in 2013 as provided in the district's budget, which was adopted at a public hearing held on October 23, 2012. I hereby request the Board of County Commissioners of Benton County, Washington, to make said regular levy of the Kennewick Port District, as set forth below, and that said regular levy is for operation, maintenance, land acquisition, construction, and the levy is to be distributed as follows:

Expense Fund	\$1,400,000
Construction Fund	\$2,168,000
Administration Refund Fund	\$32,000
<b>Total Regular Levy</b>	<b>\$3,600,000</b>

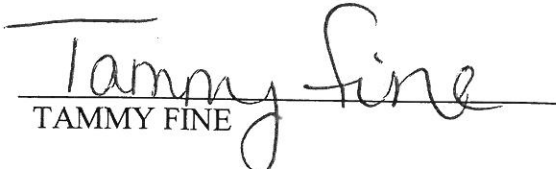
*Population Certification:* Above 10,000

*If the above certification is more than the Assessor's levy calculations, the Assessor's Office is directed to reduce the Construction Fund amount by the actual Assessor's levy calculation.*

**CERTIFIED** this 23<sup>th</sup> day of October, 2012.

**CERTIFIED BY:**

**PORT of KENNEWICK  
DIRECTOR of FINANCE/AUDITOR**

  
TAMMY FINE

# PORT OF KENNEWICK

## RESOLUTION NO. 2012-51

### A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE PORT OF KENNEWICK AUTHORIZING AN INCREASE IN TAX LEVY CAPACITY PURSUANT TO RCW 84.55.120 AND WAC 458-19-005

**WHEREAS**, a public hearing was held by the Board of Commissioners for the Port of Kennewick regarding the 2013 budget; and

**WHEREAS**, pursuant to RCW 84.55.120 and WAC 458-19-005, the rate of inflation (IPD rate) for 2013 is 1.295 percent and the limit factor for property taxes for 2013 is one hundred and one percent (101%); and

**WHEREAS**, the Port of Kennewick's levy amount from the previous year was \$3,277,002; and

**WHEREAS**, the Port has set its increase in tax levy capacity for the 2013 budget at one percent (1%) and finds there is substantial need to set the levy limit at one hundred and one percent (101%); and

**WHEREAS**, the Board of Commissioners of the Port of Kennewick Taxing District, after hearing and after duly considering all relevant evidence and testimony presented, finds there is a substantial need to set the levy limit at one hundred one percent (101%), in order to discharge the expected expenses and obligations of the district and in its best interest; and

**NOW, THEREFORE, BE IT RESOLVED**, by the Board of Commissioners of the Port of Kennewick Taxing District that an increase in the regular property tax levy, in addition to the increase resulting from the addition of new construction and improvements to property and any increase in levy value of state assessed property, is hereby authorized for the 2013 levy in the amount of approximately \$36,000 which is a one (1%) percentage increase from the previous year.

**ADOPTED** by the Board of Commissioners of the Port of Kennewick at a regular meeting held this 23<sup>rd</sup> day of October 2012; and duly signed by its proper officers in the authentication of its passage on said date.

**DATED** this 23<sup>rd</sup> day of October, 2012.

**PORT of KENNEWICK  
BOARD of COMMISSIONERS**

  
SKIP NOVAKOVICH, *President*

  
GENE WAGNER, *Vice-President*

  
DON BARNES, *Secretary*



# PORT OF KENNEWICK

## RESOLUTION No. 2012-52

### A RESOLUTION OF THE BOARD OF COMMISSIONERS FOR THE PORT OF KENNEWICK AMENDING RESOLUTION 2010-41 AND ESTABLISHING IMPROVED BUDGET GOALS

**WHEREAS**, the Port Auditor presented the 2013 Preliminary Budget on October 9, 2012 and included the Chief Financial Officer's budgetary goals for the Port of Kennewick; and

**WHEREAS**, the Commission wholeheartedly agrees with the Chief Financial Officer's budgetary goals, and, in an effort to demonstrate its intention to adhere to the goals, the Commission desires to officially amend Resolution 2010-41 and adopt the improved budget goals below:

- Work towards closing the operating gap.
- Fund projects with resources in-hand, not with bonds or loan financing.
- Pursue fewer projects while selecting projects with the greatest return to the Port and taxpayers.
- Pursue projects with development partners who demonstrate support; i.e. matching funds, political/citizen/taxpayer support, and enthusiasm.
- Identify holdings with no or little economic benefit to the taxpayers at large to divest of to redirect staff time to more meaningful projects.
- Identify holdings that create a loss for the Port with no or little economic benefit to the taxpayers at large to divest of to reduce our future losses.
- Focus our future on good Return On Investment, sound economic development projects with great job creation that benefit the community at large and have good revenue producing abilities.

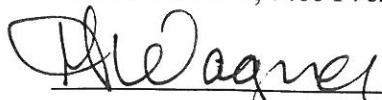
**NOW, THEREFORE, BE IT RESOLVED** that the Board of Commissioners of Port of Kennewick hereby amends Resolution 2010-41 and adopts the above budgetary goals.

**ADOPTED** by the Board of Commissioners of the Port of Kennewick on the 23<sup>rd</sup> day of October, 2012.

**PORT of KENNEWICK  
BOARD of COMMISSIONERS**

  
SKIP NOVAKOVICH, *President*

  
DON BARNES, *Vice President*

  
GENE WAGNER, *Secretary*

**PORT OF KENNEWICK**

**Resolution No. 2012-53**

**A RESOLUTION OF THE BOARD OF COMMISSIONERS  
OF THE PORT OF KENNEWICK AUTHORIZING  
AMENDMENTS TO THE PORT'S POLICY MANUAL**

**WHEREAS**, the Port of Kennewick (Port) has a policy manuals in effect which addresses general administrative and personnel matters; and

**WHEREAS**, this manual must be updated occasionally with all revisions being approved by the Port Commission via Resolution; and

**WHEREAS**, staff recommends revisions to the Policies and Procedures Handbook and believes this to be in the best interest of the Port.

**NOW, THEREFORE; BE IT HEREBY RESOLVED** that the Board of Commissioners of the Port of Kennewick hereby approves the amended Ambassador Policy.

**BE IT HEREBY FURTHER RESOLVED** the manual shall remain in effect until further revised.

**ADOPTED** by the Board of Commissioners of the Port of Kennewick this 23rd day of October 2012.

**PORT OF KENNEWICK  
BOARD OF COMMISSIONERS**

By:

  
SKIP NOVAKOVICH, *President*

By:

  
DON BARNES, *Vice President*

By:

  
GENE WAGNER, *Secretary*

**PORT OF KENNEWICK**  
**COMMUNITY AMBASSADOR POLICY**

**General**

The Port of Kennewick recognizes and encourages the ongoing support from the greater-Kennewick community. Certain community members have demonstrated particular efforts on behalf of the Port. It is the purpose of this policy to recognize as a Community Ambassador ("Ambassador") certain of those residents who have provided services in the past and will provide future volunteer services to the Port. Appointment as a Port Ambassador is in recognition of the benefits to the Port from a continuing relationship with active, distinguished persons who assist the Port as a volunteer with community, trade and/or economic development activities.

**Eligibility and Appointment**

Any resident of the Port, upon recommendation or nomination from a minimum of three (3) Port electors, may be considered by the Commission for volunteer recognition and appointment as an Ambassador under this Policy. For purposes of this policy, each elector must be from a different household. An Ambassador appointment shall be limited to a former Port Commissioner who has served the Port in good standing for ten (10) or more years; or a Port staff member who has served the Port in good standing for fifteen (15) or more years.

Following Commission consideration of the appointment of an Ambassador, there shall be official recognition by a Port of Kennewick Community Ambassador Appointment and Recognition of Volunteer Service ("Appointment"), substantially in the form attached to this Policy. The Appointment shall implement the terms of this Policy. Service as an Ambassador is strictly a volunteer activity and based on the donated service of the Ambassador. An Ambassador appointment may be terminated at any time by the Port or an Ambassador.

**Ambassador Service to the Port**

An Ambassador from the Port of Kennewick is to identify the Port relationship in any activity that pertains to service on behalf of the Port or use of Port resources. An Ambassador may be available for service and for participation in activities as set forth below. The Ambassador will adhere to the highest civic and ethical standards required of a public officer in the State of Washington, including compliance with Port policies and the avoidance of conflicts of interest. An Ambassador does not have authority to enter into commitments for the Port or to otherwise bind the Port, or to make public comments which



are not expressive of the majority viewpoint of the Port Commission, except as specifically authorized by the Executive Director.

### **Recognition And Privileges**

An Ambassador may be recognized through eligibility:

- for official retirement ceremony and dinner, provided by the Port either before or after Ambassador service;
- for issuance of printed business cards which designate Ambassador status;
- for invited participation in all appropriate Port functions and celebrations;
- to attend the annual Spring Port conference, or to attend the annual staff retreat;
- to be recognized at all Port groundbreaking and ribbon-cutting ceremonies;
- to receive reimbursement for reasonable and actual expenses incurred in the performance of Port-related activities, upon approval by the Port Executive Director and on terms set forth by the Port auditor and in full compliance with Port policies;
- to attend weekly internal staff meetings; and
- to receive a briefing from Port executive and Port auditor on a semi-annual basis.

### **Reimbursed Expenses and Stipend for Ambassador Service**

Except as otherwise set forth, the Ambassador understands that there is no compensation or other related benefits (e.g., retirement, vacation and holidays) related to an Appointment. An Ambassador shall be entitled to reimbursement for expenses incurred in volunteer service to the Port, consistent with this Policy. An Ambassador may also be granted a stipend as set forth in an Appointment, which shall include a stipend for continuation coverage for health insurance premiums following a period of service as a Port officer or employee. In no event shall any stipend exceed reimbursement for expenses, reasonable benefits or a nominal fee.