



# REGULAR COMMISSION MEETING

PORT OF KENNEWICK

NOVEMBER 8, 2011 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  
David Hanson, Vice-President  
Gene Wagner, Secretary

**Staff Members:** Tim Arntzen, Executive Director  
Tana Bader Inglima, Director of Governmental Relations & Marketing  
Larry Peterson, Director of Planning & Development  
Tammy Fine, Director of Finance/Auditor  
Teresa Hancock, Real Estate Analyst & Project Specialist  
Bridgette Scott, Executive Assistant  
Kandy Yates, Receptionist  
Lucinda J. Luke, Port Attorney

## PLEDGE OF ALLEGIANCE

Ed Frost led the Pledge of Allegiance.

## PUBLIC COMMENTS

Mr. Novakovich requested anyone wishing to address the Commission speak at the front of the room and state their name and address for the record.

Ed Frost, 609 W. Albany Avenue, Kennewick. Mr. Frost inquired if questions and comments will be accepted during the public hearings. The Commission will accept questions and comments during the hearings.

No further public comments were made.

## CONSENT AGENDA

The consent agenda consisted of the following:

- A. ***Approval of Direct Deposit and Warrants Dated October 31, 2011***  
Direct Deposit totaling \$23,296.06 and Expense Fund Voucher Numbers 32476 through 32479 totaling \$10,927.79; for a grand total of \$34,223.85.
- B. ***Approval of Warrant Registers Dated November 9, 2011***  
Expense Fund Voucher Numbers 32480 through 32508 totaling \$50,470.51. Construction Fund Voucher Number 3218 through 3221 totaling \$6,978.79.
- C. ***Approval of Interlocal Agreement with Cities Insurance Association of Washington; Resolution 2011-45***
- D. ***Approval of Commissioner Compensation; Resolution 2011-46***



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**MOTION:** *Commissioner Wagner moved approval of the consent agenda; Commissioner Hanson seconded. With no further discussion motion carried unanimously. All in favor 3:0.*

## PUBLIC RECORDS REQUEST

Ramsey Ramerman, Public Records Specialist, met with the Commission via teleconference to address issues with the August 5, 2011 Public Records request. Due to “clarification” from the requester, the Port has identified an additional 38,000 pages of records that need to be reviewed, copied and in some case redacted. The work is very time consuming because of the types of records being copied, including receipts and stapled documents, etc. Thus, based on work completed so far, it is estimated an additional 2,000 hours of Port staff time – plus attorney review time – will be necessary to complete request.

So far, the Port has handled the review in-house, has spent over 500 hours and prepared almost 4,000 pages for production, which amounts to 9% of the Port’s workforce hours spent on the public records request. This has been very disruptive and is interfering with other essential functions, not to mention the copier is broken and will see significant delays while it is repaired or a new one is found. All staff utilizes the one printer/copier/fax/scanner and it has been a huge problem.

Prior to this request, the Port received a couple of requests (maybe two or three very small requests each year.) Thus, existing resources are not sufficient to handle the request and has resulted in delayed projects and has had a negative effect on morale because everyone is behind. It is unlikely the Port could maintain working three hours per day on the request in light of other essential projects.

After looking at options, staff has determined the most efficient way to complete the request is to contract out the first level of review to a paralegal. By utilizing an outside resource, it allows staff to focus on other essential projects, including other public records requests. It would be cost effective because it will allow the reviewer to focus, and not be distracted with other projects. Mr. Ramerman feels \$30 per hour would be a fair rate.

The total cost for this outside review is approximately \$62,000. Keeping it in-house would be approximately \$80,000, not including attorney fees or copy costs, as well as opportunity loss that cannot be calculated due to the projects that are being delayed that involve job creation and economic development. Mr. Ramerman suggests the Port incur the expense over two years, lowering the impact on the Port’s budget. If a reviewer works on the request for four hours per day, it should be complete by December 2013. Mr. Ramerman feels two and a half years to complete the request is reasonable in light of Port’s resources and the magnitude of the request. The Port currently employs three full-time employees for administrative staff. By providing funding for four hours a day for records review is a staffing equivalent to over a 15% increase. While two and a half years is a long time, Mr. Ramerman suggests providing installments to the requester regularly. The Public Records Act specifically allows agencies to adopt rules to prevent excessive interference with other essential functions. The proposed time frame will allow the Port to spread the cost over two years, which allows for minimal disruption of other essential port projects.





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If the requestor feels two and a half years is too long, the requester may sue. Although he cannot guarantee what the court would do, Mr. Ramerman feels the time frame is very defensible in light of the Port's resources. Another option would be to try to speed up the response time by hiring additional personnel and spend eight hours per day on the request. Although we do not know if a paralegal who is available four hours could also be available full eight hours per day, and it would be best to have a single person review the records.

Moreover, if forced to incur the full cost in one year, the Port would have to drop or delay many of projects that are essential to the community/taxpayers and to job creation/economic development, especially when we are in an economic uncertain climate and Hanford stimulus funds are running out, bringing a substantial job layoff for our community.

Mr. Ramerman summarized the new time/cost estimate: 2,000 hours, \$62,000 additional cost. The options to compete the request are as follows:

1. Hire outside reviewer four hours per day, and complete the request by December 2013.
2. Hire outside reviewer eight hours per day, sacrificing other essential projects in 2012.
3. Keep in house, which will likely slow down the response time more.

Mr. Novakovich inquired if we need to send a notification or time schedule to the requestor for their approval. Mr. Ramerman replied there is no need to get approval, but the Port does need to provide a new time estimate. If the requestor thinks it is unreasonable, they will file a law suit. The Port is providing installments, so the requestor is receiving portions of the request in installments.

Mr. Novakovich inquired if Mr. Ramerman's recommendation is to hire an outside reviewer for four hours per day based on his work with other entities. Mr. Ramerman agreed and stated the 15% increase in administrative resources is defensible and a much more efficient way to hire an outside person because they can be dedicated to the task.

Mr. Wagner asked if there is an advantage to two people reviewing versus one. Mr. Ramerman feels it would speed up the process, but would not necessarily double the time.

Mr. Arntzen stated the Port will still have some hands-on work at the Port, but feels it is a good approach. He believes the Port made a good decision when hiring Mr. Ramerman; as he is the "source" in the State. Mr. Arntzen has visited with staff and Ms. Luke and feels this is a plausible response to the records request. Mr. Novakovich stated he and Ms. Scott heard Mr. Ramerman's name mentioned several times during the public records roundtable conference in Leavenworth.

Ms. Fine commented the accounting staff has primarily taken on the task of copying/reviewing and it has put them three months behind schedule. This would help the accounting staff substantially. If the request was kept in-house, they would have to drop down to 1-2 hours a day on the request.

Mr. Hanson inquired if there is any possible negotiation or contact with the requesting party for clarification. Mr. Ramerman stated the Port has requested clarification, but has only received two clarifications.



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Ms. Fine stated the Port asked for clarification regarding phone records and credit cards, and have not received a response. If it is affirmative, there would be even more work. Mr. Ziobro clarified the timeframe and that he would like the information pertaining to the Commissioners as well, but nothing further. The Port still needs to copy about 90% of our records.

Mr. Novakovich asked Ms. Luke if she has a possible conflict of interest issue due to being the Port's legal counsel. Ms. Luke confirmed there is not a conflict of interest and that this would be an extension of work currently provided.

Ms. Fine stated contracting this project out would be exempt from the purchasing and bidding procedures.

***MOTION:*** Commissioner Hanson moved approval to utilize the services of Cowan Moore Stam Luke Peterson & Carrier, PLLC for copying and reviewing services related to the Public Records Request received August 5, 2011, and further authorizes the Port's Executive Director to execute all necessary for implementation of the contract; Commissioner Wagner seconded. With no further discussion motion carried unanimously. All in favor 3:0.

## PUBLIC HEARINGS

### ***A. Comprehensive Scheme of Development and Harbor Improvements***

Mr. Peterson stated the Comp Scheme update process started about a year and half ago. The Port directed and approved a contract with Anchor QEA. The Port's development partners have been contacted and interviewed for comments and direction.

State Law (RCW 53.20) requires port district's to have a Comprehensive Scheme of Development and Harbor Improvements (Comp Scheme) and capital expenditures must be consistent with the Comp Scheme. The Port of Kennewick's Comp Scheme dates to 1955 with a series of updates to grant additional authority to undertake a variety of actions. Although legally sufficient these series of documents provide authority but little direction.

The Port engaged the services of Anchor QEA & HDR Engineering to assist the Port in updating the Comp Scheme. Input was received in the early stage of the process from jurisdictional partners (Benton County, Cities of: Benton City, Kennewick, Richland & West Richland). Jim Hagar of HDR (Vista Field Economic Impacts & Wine Incubator Study) was in charge of preparing the economic elements of the Comp Scheme, which is the foundation of the document.

The draft document was presented to the Commission on October 11, 2011 at which time the Commission directed staff to route the Comp Scheme for public comments. The document was posted on the Port's website, emailed to our development partners (Benton County, TRIDEC and cities of: Benton City, Kennewick, Richland, and West Richland) and two well advertised evening open houses were held on October 25, 2011 and November 1, 2011 to gather public input.

Mr. Peterson stated one of the comments received relates to revising the timeframes





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associated with Vista Field to reflect 2016 in one scenario and 2021 in another. It makes sense to change the dates to reflect the Comp Scheme.

The public hearing provides a formal opportunity to receive input on the draft Comp Scheme. It is anticipated that following the closure of the hearing the Commission will have questions for staff or the consultant. The desired outcome following the hearing would be Commission direction to staff on the desired changes to the document and the Commission selecting one of the three draft scenarios as the "Preferred Scenario". This selection could be accomplished by either vote or consensus. On November 22, 2011 the revised Comp Scheme would be presented to the Commission for formal consideration and adoption via Resolution.

Mr. Peterson introduced Ben Floyd of Anchor QEA. Mr. Floyd reviewed the requirements for preparing a Comp Scheme, the properties overview, and review of current economic and population trends (including container and rail). Mr. Floyd briefly reviewed properties relative to position in trends and stated the Comp Scheme includes three different scenarios:

- Maintain current portfolio and development plans
- Partial divestment and slightly adjust development plans
- Major divestment and refocus on new development opportunities

Mr. Peterson stated once hearing is closed, the Commission will select a scenario for staff to pursue. The document will be crafted and presented for approval at the November 22, 2011 meeting.

Mr. Novakovich opened the Public Hearing for comments.

Ed Frost, 609 West Albany Avenue, Kennewick. Mr. Frost commended the Port for its efforts to obtain comments from the public. He attended the open house on November 1, 2011. He was pleased with the display ads in the newspaper and moving the venue to new locations. Mr. Frost has the following concerns about the document:

1. Language on page 16 states "therefore the Commission anticipates the Port would not be called upon to fund significant capital improvements at the airport." He encourages the Port to make modest expenditures over the next ten years for the development of the airport, and that the larger improvements come from grants, private investment, or both.
2. Mr. Frost cautioned the Port to consider what future activities are of the other three relatively close ports. He does not feel it would be good to compete with each other and that we should be as unique as possible. Mr. Frost asked what each port can do to foster economic growth that is good for all, without competing against each other.
3. Mr. Frost encouraged the Port to continue developing the infrastructure on Clover Island so that one day the riverboat idea may become a reality. It may not be possible now, but the infrastructure will need to be in place for future development.
4. Mr. Frost is concerned about the amount of the island being used for parking cars.



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He realizes it is temporary, waiting for potential development, but he requests the Port to be creative about how to use the Island to a better advantage than parking cars. He feels the Island will be the most single, most prosperous, most unique, and most coveted piece of property in the community.

5. Mr. Frost encourages the Port to carry out the plans with Ice Harbor for an outdoor facility.
6. Mr. Frost encourages the Port to continue and complete the Pattern Language concept. The Pattern Language is an interesting concept and is a very unique way to develop a plan, in a way he has never seen before.
7. Mr. Frost would like to see the development of Columbia Drive and hopes the Port will make every effort to keep Duffy's Pond, as it will make it beautiful. Mr. Frost also suggests dredging the pond.
8. Mr. Frost reviewed the Comp Scheme scenarios and believes scenario two would be best. Shrink the target and make it a reality.

Mr. Arntzen commented the Corps of Engineers is looking to sub-lease Duffy's Pond. The City has had a sub-lease on portions of the pond and has been talking with Ms. Bader Inglima about it, which could create additional opportunities for Duffy's Pond and the Columbia Drive area.

Ms. Bader Inglima is not sure if the Corps is looking to sub-lease Duffy's Pond, we have been visiting with the City about jointly approaching the Corps about amending the City's current lease to include the Port. At this point in time, we have people who are receptive to discussion. The City currently leases the property from Corps and the easiest way to make things happen is to amend the existing lease with the City, which would be sub-leasing from the City. It is a perfect opportunity to develop relationships with Corps staff that are receptive to the discussions.

Mr. Novakovich clarified the Ice Harbor outdoor facility is in the 2012 Work Plan and budget.

Ms. Ruth Swain, 3801 West Van Giesen, West Richland. Ms. Swain is extremely impressed with the leadership in this project. It is very inclusive of all the cities and she has learned how complex and expansive the Port's area of service covers. She agrees the scope of work that the staff provides is incredible. She is very impressed with strategic approach to ask economic development partners to meet early in the process and work through the process. As the economy continues to change, the economic base changes and will continue to do so. Ms. Swain feels the Port of Kennewick has been very forward thinking with economic development. She also recognizes how critical the ports investment and leadership are to small cities like West Richland. West Richland has a lack of infrastructure, areas of blight and the improvement made in the City has helped create jobs. West Richland is grateful and impressed with the process.

The public hearing is closed and Mr. Novakovich requested Commission Comments.





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Mr. Hanson reviewed the Comp Scheme in detail and stated the quality of life also needs to be considered with investments, as well as the return on investment. He is prepared to propose acceptance of scenario 2. Mr. Novakovich met with Mr. Floyd and provided his comments previously. The Commission is in consensus to direct staff to revise the document to include scenario 2 and include the rest of the scenarios and the analysis associated with them in an appendix and prepare it for consideration.

***B. 2012 Final Budget Hearing / Adoption; Resolution 2011-42***

Ms. Fine shared that 42 states are working to close a \$103 billion budget shortfall. U.S. cities are facing \$56-83 billion shortfall. 15 of our U.S. cities are in serious trouble including: San Diego, Baltimore, Detroit, Las Vegas, Honolulu, Phoenix, Los Angeles, New York, Reno, Chicago and more.

States and cities are struggling to find revenues to fund “critical public services” ie: education, healthcare and human services. Many are cutting jobs and services and are delaying capital projects and infrastructure. Schools have been cutting school days: Portland cut five days and Kennewick just announced a two day cut.

While a majority of governments are raising taxes on taxpayers and cutting critical services, the Port is still providing better services – jobs, economic development and great community projects.

The Port of Kennewick has not increased the tax burden on taxpayers, and is in fact, decreasing the levy rate by 2.9%. A \$150,000 house in 2001 would cost \$66 to the taxpayer and in 2012 will cost \$50 per year.

The Port of Kennewick is stable and has budgeted conservatively over the years; revenues have exceeded the budgeted number every year.

Ms. Fine read information at the Economical Cycle Research Institute, who has been very successful in predicting business cycles over the last 15 years. They predict we are heading into another recession and there is nothing that policy makers can do to head it off. Ms. Fine stated more than ever port districts will be called upon to help stimulate the economy.

Ms. Fine presented the 2012 budget, levy certification and increase in tax capacity resolutions for approval.

Mr. Novakovich opened the Public Hearing for comments.

Ed Frost, 609 W. Albany, Kennewick, inquired what the levy rate would be without the 101% increase. Ms. Fine will perform the calculation and contact Mr. Frost with the information.

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



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**MOTION:** *Commissioner Wagner moved approval of Resolution 2011-42, Resolution 2011-43 and Resolution 2011-44 regarding budget adoption, levy certification, and increase in tax capacity; Commissioner Hanson seconded, with no further discussion motion carried unanimously. All in favor 3:0.*

## **C. Redistricting**

Mr. Peterson and Ms. Luke worked with Justin Baerlocher from JUB Engineers to propose new redistricting boundaries.

State Law (RCW 29A.76.010) requires the Port of Kennewick along with all other counties, municipal corporations, and special purpose districts to periodically redistrict its governmental units, based on population information from the most recent federal decennial census. The current Port Commission district boundaries were set in 1992 following the 1990 Census and reviewed in 2000, at which time a determination was made that the district boundaries were consistent with requirements in State law.

The 2010 Census data statistically demonstrated that the population within the Port of Kennewick has substantially increased since 1990. Due to the growth, primarily in south Kennewick, south Richland and West Richland, the current district boundaries no longer reflect an equal division of population as required by State law.

Per the most recent Federal Census 124,722 persons resided within the Port district on April 1, 2010. Divided into three equal districts the ideal or target Commission district population is 41,574 people. The Port utilized the computer mapping capabilities of JUB Engineering to create a draft boundary scenarios which encompass the criteria of State law; (a) each commissioner district shall be as nearly equal in population as possible, (b) each district shall be as compact as possible, (c) each district shall consist of geographically contiguous, (d) Population data may not be used for purposes of favoring or disfavoring any racial group or political party, (e) To the extent feasible district boundaries shall coincide with existing recognized natural boundaries and shall, to the extent possible, preserve existing communities of related and mutual interest. The concept "as compact as possible" translates to avoiding circuitous, meandering, finger like boundaries.

Mr. Peterson reviewed the Urban, Suburban and Rural scenarios. The general alignment concept of Urban, Suburban and Rural, shared with the Commission in previous discussions, yielded a draft boundary which follows natural boundaries (rivers, major roads, a State Highway, Freeways, and the Badger Mountain ridgeline) and preserves communities. The population allocation of the draft alignment is District #1: 41,349 persons; District #2: 41,566 persons, and District #3: 41,807 persons, which represents a deviation from ideal of -.54%, -.02% and +.56% respectively. The proposed boundaries meet all legal requirements and adoption of the Commission Districts is scheduled for November 22, 2011. The Commission Districts have to be approved at least seven days after the public hearing. A copy of the resolution, maps and shapefiles will be mailed to the Benton County Auditor after adoption.

Mr. Baerlocher briefly described the GIS mapping process. Mr. Hanson requested the





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Badger Mountain ridgeline to be labeled for easy identification.

Mr. Arntzen appreciates the work to complete the process and the document. Ms. Luke did a great job following the statues and providing legal advice. Mr. Arntzen firmly believes in the process and feels it was a great process.

Mr. Novakovich opened the Public Hearing for comments.

Cathy White, 1118 W. 22<sup>nd</sup> Avenue, Kennewick. Ms. White inquired if each Commissioner has to live in a different district. Mr. Peterson stated each Commissioner will still reside in the district they represent after the new boundaries are adopted. A person has to reside in the district they will represent; however, if the boundaries change while in office, they will continue to represent the district until the next election.

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

Recessed 3:28

Reconvened at 3:33

## REPORTS COMMENTS AND DISCUSSION ITEMS

### A. *Clover Island Cedars Parking Lot Project Update*

Mr. Peterson stated paving should occur November 9, 2011 and it will be striped and available for use on Friday. Landscaping and street lighting need to be finished. The progress is in-line with the project time-line and the quality of work is acceptable. It was great timing for the project – it provides jobs and keeps economy moving while providing competitive bids to the Port. Had the project been completed in 2007/2008, the cost could have been 30-40% more.

### B. *Willows Pattern Language Update*

Mr. Arntzen stated Steve Mallory, Tim Dalton, and Ed Frost contributed at the Pattern Language meeting. The Pattern Language process discovers what is important to the community. Mr. Arntzen was surprised to see that Professor Black expanded the scope to make it applicable to Clover Island and the downtown area. All of the concepts can be applied to Clover Island to help enhance the developments. It would also be a great blueprint for the Kennewick Downtown Association. Professor Black's plan is innovative, creative, and is a realistic plan. Professor Black spoke with 20-30 business leaders and had a great cross-section of people. Mr. Arntzen feels some of the best conversations did not include the Professor, but were side-bar conversations.

Professor Black drafted the document and Mr. Arntzen feels it is really challenging and contains a wow factor. Professor Black helped Mr. Arntzen realize a project is not simply a project – it could be the manner of arrival by which you arrive, such as a boat, bike or vehicle. Professor Black promotes the use of building design to encourage people to mingle outside and attach them by comfortable pathways. Mr. Arntzen encourages the public to read the document and stated it is posted on the Port's website.



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Mr. Frost found the ideas very interesting based on the mix of people in the room. Everyone involved realizes for this project to succeed a certain number of people are needed in the area at all times. One suggestion was to bring people on the train from Columbia Park down the bike path; paddle boats may be another attraction. Mr. Frost liked the fact that major property owners are involved in the process. Mr. Frost commented the relationship between the City of Kennewick and the Port of Kennewick is as good as he has ever seen. He feels when the city manager, councilmember and city planner are involved, there is more buy-in for the project.

Mr. Novakovich stated he and Larry had an excellent time in Berkeley and were able to see some of the concepts in person, such as Seabreeze. Mr. Novakovich has been working on riverfront plans since 2000 and feels this plan brings it down to earth. He is impressed with the diverse mix of people involved and appreciates the number of people involved from the City of Kennewick.

Mr. Arntzen would like to provide a mini-presentation to the Commission and believes a new phase of the project will occur next year with participation from the City. Mr. Arntzen would like to include Ms. Mosley and the City Planner for their comments as well. Once the elected officers set policy, then staff can implement the plan. Mr. Arntzen is hopeful that revised zoning may be one of the first elements seen.

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

Mr. Hanson attended the legislation reception by the Home Builders Association, a Chamber lunch, a breakfast meeting with Mike Shannon and a few pilots; and the annual Tri-City Visitor and Convention Bureau meeting and reception. Mr. Hanson asked if Mr. Wagner can attend the November 17, 2011 TRIDEC meeting on his behalf. Mr. Wagner agreed.

Mr. Wagner attended the annual Tri-City Visitor and Convention Bureau meeting and reception; attended the West Richland's Veteran's parade last Saturday, which is a great reflection of the community!

Mr. Novakovich commented West Richland is the most veteran friendly, veteran helpful community he has been around. He was the Grand Marshal at the parade. Mr. Novakovich traveled to the Bay area with Larry Peterson, met with Gary Walsh from the City of Kennewick regarding downtown; attended the Richland Rotary meeting with speaker General Mattis; participated in a phone interview with KONA radio regarding the West Richland parade; and attended Shirley Hankins birthday party.

**D. *Non-Scheduled Items***

1. Mr. Arntzen stated Commissioner Wagner will attend the Marina Conference following this meeting with Mary Fitch and Mike Melia.
2. Mr. Arntzen introduced Kandy Yates, who will be working part-time with receptionist duties to enable Ms. Scott to focus on administrative projects. Ms. Yates is employed through a temporary service.
3. Mr. Arntzen is working with Ms. Luke on the Vista Field Lease and the opportunity for the Port to privatize operations at Vista Field. The draft lease agreement will be sent to Dr. Shannon for review before sharing it with the public. Mr. Arntzen feels the lease is straight-forward and hopes the document will be signed by the first of the year.





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4. Mr. Arntzen reminded the Commissioners and public to provide "Friend of the Port" suggestions to Ms. Bader Inglima.
5. WPPA Annual Conference in December. A continuing legal education (CLE) class is scheduled the day before the conference. Ms. Luke has been invited to attend the CLE and the conference as a learning opportunity to see how and why ports function.

## PUBLIC COMMENTS

Mike White, 1118 22<sup>nd</sup> Avenue, Kennewick agrees hiring a contractor to process the public records request is a good way to go. Mr. White inquired if it would be possible for the consultant to work in the Port office because of the time it will take to transport documents. The Commission will discuss with staff and provide an answer to Mr. White. No further public comments were made.

Mr. Novakovich anticipates the Executive Session to last approximately 5 minutes for real estate and approximately 40 minutes for personnel, with action anticipated on the personnel issue. Ms. Scott asked the public individually if they will return after the Executive Session. The public will not return.

Mr. Novakovich recessed the meeting at 4:05 p.m. for approximately 5 minutes.

Mr. Novakovich reconvened the meeting into Executive Session at 4:12 p.m.

## EXECUTIVE SESSION

- A. Real Estate, per RCW 42.30.110(1)(b)
- B. Personnel, per RCW 42.30.110(1)(g)

Executive Session adjourned at 4:46 p.m. The regular meeting reconvened at 4:47 p.m.

Mr. Novakovich stated that by consensus, the Commission gave the Executive Director an excellent performance review. Ms. Fine will compile the individual comments and Mr. Novakovich will meet privately with Mr. Arntzen to review the comments.

**MOTION:** *Commissioner Novakovich moved to authorize the Port's Executive Director to receive 14 additional days of PTO for 2012 to be used in accordance with staff approved 2012 PTO, and would like to see a policy be established for a merit program based on achievement of goals for 2012; Commissioner Wagner seconded. With no further discussion motion carried unanimously. All in favor 3:0.*

Mr. Arntzen thanked the Commission for their confidence in the team.



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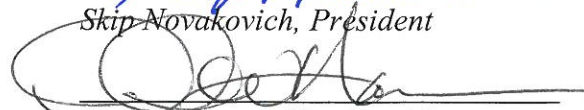
## ADJOURNMENT

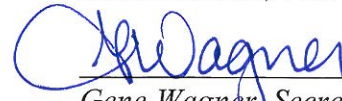
With no further business to bring before the Board; the meeting was adjourned at 4:50 p.m.

### *APPROVED:*

**PORT of KENNEWICK  
BOARD of COMMISSIONERS**

  
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*Skip Novakovich, President*

  
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*David Hanson, Vice President*

  
\_\_\_\_\_  
*Gene Wagner, Secretary*



# PORT OF KENNEWICK

## Resolution No. 2011-41

### A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE PORT OF KENNEWICK APPROVING A CONTRACT WITH COWAN MOORE STAM LUKE PETERSEN & CARRIER, LLPC

**WHEREAS**, the Port of Kennewick received a public records request on August 5, 2011 and is working diligently to comply with the request, while neglecting additional mandated services; and

**WHEREAS**, it is important to the Port and its citizens that the Port maintains its critical and essential services and focuses on its mission of job creation and economic development as enacted by law; and

**WHEREAS**, prior to the August 5, 2011 request, the Port has never had to spend more than two hours in a month responding to public records requests; accordingly, the Port does not currently maintain staff resources sufficient to handle a request of this size and still complete its other essential functions; and

**WHEREAS**, to maintain those essential services, Port staff can operate at no more than three (3) hours-per-day to fulfill any public records request during a six-month period and then beyond a six month period the hours-per-day would need to drop to accommodate other critical and essential job duties; and

**WHEREAS**, it has been determined to be more cost-effective and time-efficient to contract public records copying and reviewing services to the law firm of Cowan Moore Stam Luke Petersen & Carrier, LLPC; and

**WHEREAS**, The Port of Kennewick has budget limitations which could greatly hinder the Port's essential and critical operating duties if Cowan Moore Stam Luke Peterson & Carrier, LLPC sustain the public records request more than three (3) to four (4) hours-per-day long-term; and

**WHEREAS**, Cowan Moore Stam Luke Petersen & Carrier, LLPC has sufficient staff and well-trained employees capable of copying and reviewing records related to the Public Records Request received August 5, 2011; and

**WHEREAS**, the Port has worked with Cowan Moore Stam Luke Petersen & Carrier, LLPC, on a variety of issues and feels confident with their services; and

**WHEREAS**, the Port estimates that it will cost approximately \$62,000 to complete this request, including the cost to hire Cowan Moore Stam Luke Petersen & Carrier, LLPC.

**NOW, THEREFORE; BE IT HEREBY RESOLVED** that the Board of Commissioners of the Port of Kennewick hereby authorizes staff to contract with Cowan Moore Stam Luke Petersen & Carrier, PLLC, for copying and reviewing services related to the Public Records Request received August 5, 2011; and further authorizes the Port's Executive Director to execute all documents necessary for implementation of the contract.

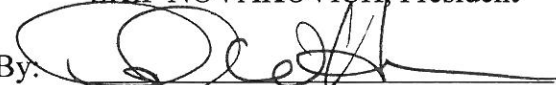
**ADOPTED** by the Board of Commissioners of the Port of Kennewick on the 8th day of November, 2011.

**PORT of KENNEWICK  
BOARD of COMMISSIONERS**

By:

  
SKIP NOVAKOVICH, President

By:

  
DAVID HANSON, Vice President

By:

  
GENE WAGNER, Secretary

# **PORT OF KENNEWICK**

## **RESOLUTION NO. 2011-42**

### **A RESOLUTION OF THE BOARD OF COMMISSIONERS OF PORT OF KENNEWICK ADOPTING THE 2012 BUDGET**

**WHEREAS**, the Board of Commissioners of Port of Kennewick met at a regular meeting on November 8, 2011, a quorum of the Commission being present; and

**WHEREAS**, Port of Kennewick has properly given notice of the public hearing held on November 8, 2011 to consider Port of Kennewick's Budget for the 2012 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 following budget for Port of Kennewick for the year 2012:

**ADOPTED** by the Board of Commissioners of Port of Kennewick at its regular meeting on November 8, 2011.

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

By:   
SKIP NOVAKOVICH, President

By:   
DAVID HANSON, Vice President

By:   
GENE WAGNER, Secretary



**PORT OF KENNEWICK**  
**2012 Budget**  
**SUMMARY**

	<b><u>2012 BUDGET</u></b>
BEGINNING CASH BALANCES	\$ 8,586,346
<b>ANTICIPATED REVENUES</b>	
Industrial/Ag Leases	\$ 622,047
Marina Leases	\$ 272,867
Boat Haul Out Revenue	\$ 3,605
Airport Leases	\$ 38,039
<b><i>Total Operating Revenues</i></b>	<b><i>\$ 936,558</i></b>
Gain From Property Sales	\$ 50,000
Ad Valorem Tax	\$ 3,200,000
Interest Income	\$ 5,180
Miscellaneous	\$ -
<b><i>Total Non-Operating Revenues</i></b>	<b><i>\$ 3,255,180</i></b>
<b><i>Total Anticipated Revenues</i></b>	<b><i>\$ 4,191,738</i></b>
<b>TOTAL AVAILABLE FUNDS</b>	<b><u>\$ 12,778,084</u></b>
<b>LESS ANTICIPATED EXPENSES</b>	
Airport Operations and Maintenance	\$ 73,112
Marina Operations and Maintenance	\$ 76,059
Property Lease/Rental Operations and Maintenance	\$ 887,495
General and Administrative	\$ 1,478,553
Non-Operating Expenditures	\$ 316,629
<b>TOTAL ANTICIPATED EXPENSES</b>	<b><u>\$ 2,831,848</u></b>
<b><i>TOTAL AVAILABLE FUNDS LESS EXPENSES</i></b>	<b><u>\$ 9,946,236</u></b>
LESS FUNDS FOR PROJECTS & EQUIPMENT (except Industrial development and promotional hosting expenditures)	\$ 4,429,500
LESS INDUSTRIAL DEVELOPMENT EXPENDITURES	\$ -
LESS PROMOTIONAL HOSTING EXPENDITURES	\$ 9,500
LESS LINE OF CREDIT PAYMENT	\$ 3,000,000
ENDING CASH ON HAND	
RESERVE FUNDS	\$ 2,500,000
UNRESTRICTED FUND BALANCES	\$ 7,236
<b>TOTAL UNRESTRICTED AND RESERVE FUNDS</b>	<b><u>\$ 2,507,236</u></b>

# PORT OF KENNEWICK

## RESOLUTION NO. 2011-43

### A RESOLUTION OF THE BOARD OF COMMISSIONERS FOR THE PORT OF KENNEWICK CERTIFYING THE PORT'S 2011 LEVY FOR 2012 COLLECTION

**WHEREAS**, the Board of Commissioners of the Port of Kennewick met and considered its budget for the calendar year 2012 at a regular meeting on November 8, 2011, 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 2012 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 8th day of November, 2011; and

**WHEREAS**, the Port's actual levy amount from the previous year was \$3,170,888; 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 2012 tax year. The dollar amount of the increase over the actual levy amount from the previous year shall be \$31,800, 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 November 8, 2011.

**PORT of KENNEWICK  
BOARD of COMMISSIONERS**

  
SKIP NOVAKOVICH, *President*

  
DAVID HANSON, *Vice President*

  
GENE WAGNER, *Secretary*



# PORT OF KENNEWICK

## RESOLUTION NO. 2011-44

### 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 2012 budget; and

**WHEREAS**, pursuant to RCW 84.55.120 and WAC 458-19-005, the rate of inflation (IPD rate) for 2012 is 2.755 percent and the limit factor for property taxes for 2012 is one hundred and one percent (101%); and

**WHEREAS**, the Port of Kennewick's levy amount from the previous year was \$3,170,888; and

**WHEREAS**, the Port has set its increase in tax levy capacity for the 2012 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 2012 levy in the amount of \$31,800 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 8<sup>th</sup> day of November 2011; and duly signed by its proper officers in the authentication of its passage on said date.

**DATED** this 8<sup>th</sup> day of November, 2011.

**PORT of KENNEWICK  
BOARD of COMMISSIONERS**

  
SKIP NOVAKOVICH, *President*

  
DAVID HANSON, *Vice-President*

  
GENE WAGNER, *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 2012 as provided in the district's budget, which was adopted at a public hearing held on November 8, 2011. 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	\$1,100,000
Construction Fund	\$2,468,000
Administration Refund Fund	\$32,000

<b>Total Regular Levy</b>	<b>\$3,600,000</b>
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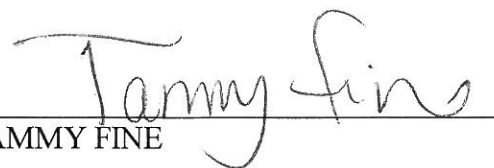
<i>Population Certification:</i>	<i>Above 10,000</i>
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*If the above certification is more than the Assessor's levy calculations, the Assessor's Office is directed to reduce the Construction Fund amount by the actual Assessor's levy calculation.*

**CERTIFIED** this 8<sup>th</sup> day of November, 2011.

**CERTIFIED BY:**

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

  
TAMMY FINE



# **PORT OF KENNEWICK**

## **Resolution No. 2011-45**

### **A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE PORT OF KENNEWICK APPROVING MEMBERSHIP IN THE CITIES INSURANCE ASSOCIATION OF WASHINGTON**

**WHEREAS**, the Cities Insurance Association of Washington (CIAW) is authorized to develop and administer a program which provides an opportunity for members to jointly pool and self-insure their liability losses, jointly purchase property insurance and excess reinsurance, and jointly utilize administrative and other services; and

**WHEREAS**, the Port of Kennewick has been provided with an opportunity to review the Interlocal Agreement and By-laws of the CIAW; and

**NOW, THEREFORE; BE IT HEREBY RESOLVED** the Board of Commissioners of the Port of Kennewick hereby approves the Interlocal Agreement and By-Laws of the CIAW and hereby agrees to become a member of the CIAW commencing September 1, 2011.

**BE IT HEREBY FURTHER RESOLVED** the Board of Commissioners authorize the President to sign the Interlocal Agreement on behalf of the Port.

**ADOPTED** by the Board of Commissioners of the Port of Kennewick on the 8th day of November, 2011.

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

By:   
SKIP NOVAKOVICH, President

By:   
DAVID HANSON, Vice President

By:   
GENE WAGNER, Secretary

# ***PORT OF KENNEWICK***

## ***Resolution No. 2011-46 A***

### ***A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE PORT OF KENNEWICK APPROVING COMMISSIONER COMPENSATION***

**WHEREAS**, the Revised Code of Washington (RCW) 53.12.260(3) allows the Port Commission of the Port of Kennewick to set compensation to be paid to Commissioners; and

**WHEREAS**, the Board of Commissioners of the Port of Kennewick recognizes that each Commissioner contributes a significant amount of personal time to participate as a Commissioner by attending several meetings for the Port of Kennewick, and further recognizes that the Port of Kennewick has for the last several years been growing steadily with increased requirements placed upon the Commissioners not only for time but also for expertise; and

**WHEREAS**, the Port Commission has a fiduciary responsibility to manage approximately \$54 million in total Port assets as of December 31, 2010; and

**WHEREAS**, Commission compensation was approved in Resolution 2006-54; and

**WHEREAS**, the Port Commission desires to add Commissioners shall also receive the legal meeting per diem amounts as provided in RCW 53.12.260(1) and Office of Financial Management.

**NOW, THEREFORE; BE IT HEREBY RESOLVED**, that as of November 8, 2011, the compensation of the Commissioners of the Port of Kennewick, as set forth in RCW 53.12.260(3) and Resolution 2006-54, shall be amended to include the monthly per diem amounts as allowed by RCW 53.12.260(1) as amended by Office of Financial Management.

**BE IT FURTHER RESOLVED** that pursuant to statutory and constitutional provisions, this increase in additional compensation shall only take effect upon the subsequent re-election of an existing Commissioner or the election of a new Commissioner.

**ADOPTED** by the Board of Commissioners of the Port of Kennewick on the 8th day of November 2011.

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

By:   
SKIP NOVAKOVICH, President

By:   
DAVID HANSON, Vice President

By:   
GENE WAGNER, Secretary