



# REGULAR COMMISSION MEETING

PORT OF KENNEWICK

DECEMBER 8, 2015 MINUTES

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## CALL TO ORDER

Commission President Don Barnes called the Regular Commission meeting to order at 2:02 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:** Don Barnes, President  
Skip Novakovich, Vice-President  
Thomas Moak, Secretary

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

## PLEDGE OF ALLEGIANCE

Mr. Ed Frost led the Pledge of Allegiance.

## PUBLIC COMMENT

Dan Smith, 445 North River Road, Prosser. Mr. Smith, the new executive director of the Historic Downtown Kennewick Partnership, stated he previously worked as the executive director for the Historic Downtown Prosser Association. Mr. Smith is committed to reinvigorating Downtown Kennewick by listening to the members, and increasing and rebuilding partnerships. Mr. Smith outlined several goals:

1. Beautify and clean-up downtown:
2. Increase membership benefits:
3. Increase the volunteer base:
4. Increase social media exposure.

Mr. Smith expressed his excitement for the Port's plans for the Bridge to Bridge area on Columbia Drive and sees it as a gateway to Historic Downtown Kennewick.

Mr. Barnes welcomed Mr. Smith and stated the Port looks forward to partnering with the Historic Downtown Kennewick Partnership.

No further comments were made.



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## CONSENT AGENDA

Consent agenda consisted of the following:

- A. Approval of Direct Deposit and E-Payments Dated November 17, 2015**  
Direct Deposit and E-Payments totaling \$44,425.56
- B. Approval of Warrant Registers Dated November 24, 2015**  
Expense Fund Voucher Numbers 373384 through 37419 and 37421 through 37429 for a grand total of \$147,249.53
- C. Approval of Warrant Registers Dated November 24, 2015 (PS Media)**  
Expense Fund Voucher Number 37420 for a grand total of \$11,221.59
- D. Approval of Direct Deposit and E-Payments Dated December 2, 2015**  
Direct Deposit and E-Payments totaling \$57,887.80
- E. Approval of Warrant Registers Dated December 8, 2015**  
Expense Fund Voucher Numbers 37430 through 37454 for a grand total of \$118,316.88
- F. Approval of Commission Meeting Minutes Dated November 10, 2015**
- G. Approval of Emergency Bid: Repair Hose Bib at 415 N. Quay, Building A, Kennewick; Resolution 2015-29**

Mr. Barnes stated 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 and inquired if any items need to be removed.

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 owns, has a contract with PS Media to print 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.

**MOTION:** *Commissioner Novakovich moved for removal of Consent Agenda Item C of the Consent Agenda, for separate consideration; Commissioner Moak seconded. With no further discussion, motion carried unanimously. All in favor 3:0.*

**MOTION:** *Commissioner Novakovich moved for approval of the Consent Agenda, with exception of Item C; Commissioner Moak seconded. With no further discussion, motion carried unanimously. All in favor 3:0.*

**MOTION:** *Commissioner Moak moved for approval of Item C, payment to PS Media; Commissioner Barnes seconded. With no further discussion, motion carried. All in favor 2:0, (Commissioners Moak and Barnes) 1 abstained (Commissioner Novakovich).*

## PRESENTATION

### **A. 2015 Friends of the Port**

Mr. Arntzen stated in 2008 the Port implemented the Friend of the Port Award and stated the only requisite is that the recipient has made the Port a better place by giving of themselves. This year, the Port has two recipients for the Friend of the Port award.





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The first recipient of the award supported the Port by leading the Vista Vision Task Force (V. V. T. F.). Mr. Cummins, President of Columbia Basin College Basin College, did a tremendous job leading the V. V. T. F., by encouraging participation from everyone who attended the meetings. Furthermore, he was able to take multiple views and ideas from the V. V. T. F. and deliver a set of recommendations to the Port Commission for the redevelopment of Vista Field.

The second recipients of the award are John and Dara Foster, who live in downtown Kennewick neighborhood and walk the island regularly. The Foster's donated three basalt rock benches, which were placed at the scenic outlook at the newly constructed Clover Island Boat Ramp area. The basalt benches are of special importance and will benefit the public for generations to come.

Mr. Barnes thanked Mr. Cummins and Mr. and Mrs. Foster for their support and contributions to the Port of Kennewick.

***B. West Richland Public Shoreline Access/Facilities, Mayor Brent Gerry and Aaron Lambert, City of West Richland***

Mr. Arntzen introduced City of West Richland Mayor, Brent Gerry and Aaron Lambert, Community Development Director and stated they will be updating the Commission on the Belmont and Yakima Gateway projects.

Mr. Lambert stated the City of West Richland is estimated to reach a population of 14,000 by 2016, however, the City is planning for a population of 21,000 by 2035. The City of West Richland is unique because 7,800 acres are owned by one entity, which makes it difficult to plan for growth.

Mr. Gerry stated the City, along with the Port, worked with Hillary Franz of Futurewise to further the Urban Growth Application (UGA) process, which will benefit both the City and the Port.

Mr. Lambert stated the focus now is the planned I-82 interchange, which just received funding earlier this year. Furthermore, Mr. Lambert reported that on December 15, 2015, the West Richland City Council will vote to adopt the UGA ordinance which will bring the Port's racetrack property into the City limits.

Mr. Lambert stated the Belmont District is slated for the following improvements:

- Shelby Super Car is moving forward with construction on their building;
- Richland School District purchased 32 acres for future site for a middle school;
- City of West Richland is slated to construct a municipal services building;
- Remaining area is zoned for commercial use and retail pads.

Mr. Lambert stated for the past several years, the City has been working to redevelop the Van Giesen corridor. The Yakima River Gateway project will cost \$2,100,000, and was funded in part by an RCO Grant, a HAEIFAC Grant, the Port and the City.

The Yakima Gateway project will include the following upgrades:



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- Environmental restoration of the shoreline:
- Public amenities, restroom facilities and parking:
- Additional trails and pathway connections:
- ADA public access:
- Improved public access to the Yakima River.

Mr. Novakovich asked what the timeline is for the gateway project.

Mr. Lambert stated they hope to break ground in spring of 2016 with completion in the fall of 2016.

Mr. Novakovich stated it is great that the City is utilizing the waterfront, and thanked Mr. Gerry and Mr. Lambert for the update.

## **C. 1135 Project Update, Rebecca Kalamasz, USACE**

Ms. Bader Inglima introduced Rebecca Kalamasz, who is taking over for Karen Zelk, as project manager for the Clover Island 1135 U.S. Army Corps of Engineers (USACE) project. Ms. Kalamasz is here to update the Commission on the status of phase one and what is expected for phase two.

Ms. Kalamasz thanked Ms. Bader Inglima and stated the project is authorized under section 1135 of the Water Resources Development Act, and the primary purpose of the 1135 project, is to restore the degraded environment as a result of the McNary Dam construction. The Corps have determined there is substantial benefit to repair the environment for the fish and riparian species located around the Clover Island shoreline. The Corps partitioned the island into five zones, where each zone was evaluated for the biggest benefit for the dollar invested. The Corps conducted an incremental benefit analysis and found the biggest benefit would be to improve the riparian habitat along the shoreline. Ms. Kalamasz stated the aquatic habitat is pretty good shape around the island however, in some areas, costs exceed the benefit. As a result, the Corps preliminary recommendations are to restore riparian species in areas 1 (Northwest corner), 2 (Notch), 3 (Notch to Cedars) and 5 (East end of the Island), however, zone 4 (Cedars to hotel), will remain as is.

Ms. Kalamasz stated the tentative schedule is as follows:

### **Feasibility Study/Integrated NEPA- Phase**

- Internal Review Phase – on going:
- Public Review – Spring 2016:
- Report Approval – Late summer 2016.

### **Next Step – Design and Construction Phase**

- Project Partnership Agreement – Spring 2017:
- Initiate Design:
- Anticipated Construction – Winter 2017 thru Spring 2018.





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Ms. Kalamasz stated the Federal Government pays 75% of the cost, and can initiate work prior to the signing of the agreement to move the project forward.

Mr. Moak inquired if there will be any impact to existing businesses and operations on the island.

Ms. Kalamasz stated construction will be similar to the west causeway and believes there should be little impact to businesses on the island.

Mr. Barnes asked if there will be provisions for foot traffic around the new vegetation for people to reach the water.

Ms. Kalamasz stated the Corps can incorporate paths into the preliminary design plan to accommodate for foot traffic.

Ms. Bader Inglima stated given the scheduling and need to plan for the Northwest Overlook on the corner parcel, the Corps would like to see the foundation for the overlook in place prior to the 1135 design work. Based on the Corps schedule, it is likely the Port will need to place the foundation for the NW Overlook sometime in 2016, if the Commission would like to move forward with the improvements to the corner parcel. Ms. Bader Inglima stated the entire Corps team has been outstanding to work with and it is an incredible partnership opportunity for the Port. Furthermore, the Confederated Tribes of the Umatilla Indian Reservation (CTUIR) has been very supportive of the project. Ms. Bader Inglima stated, in addition, 10% of the 1135 budget can be used for recreation. There has been discussion with the Corps about extending the trail and adding lighting, as we have done along the West Causeway.

Mr. Barnes appreciates the improvements made on the west causeway by the shoreline enhancements and is looking forward to advancing the project along the remaining shoreline and working with the Corps.

Mr. Moak hopes the Corps will see the rehabilitation of the Clover Island shoreline as a great project for the Port and the community and thanked Ms. Kalamasz for the update.

Ms. Kalamasz stated the Port has been one of the best sponsors the Corps has have ever had.

Mr. Arntzen appreciates the Corps process and commended them for the cost savings/benefit analysis and a judicious use of taxpayer dollars.

Mr. Arntzen stated previously, the Commission discussed several additional improvements to Clover Island and the consensus was to utilize \$150,000 to remove the old port office and install the concrete foundation for the NW Overlook. As Ms. Bader Inglima stated, it is imperative to complete the foundation work prior to the Corps design phase, so it can be included in the design. Mr. Arntzen requested approval by the Commission to proceed with the removal of the building and installation of the concrete foundation, which is an estimated expenditure of \$150,000. Mr. Arntzen stated, with the emphasis on Vista Field and the limited budget, staff will look for partners to complete the NW Overlook, such as, grants, partnerships or private sector funding.



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Mr. Moak recalls the Commission has previously discussed and voted funding the NW Overlook foundation and demolition of the old Port building.

Mr. Novakovich concurs with Mr. Moak and believes the Commission has approved the funding during a previous meeting.

*Clerk's note:*

*\*NW Overlook Pier foundation and demolition of old Port Building discussed and voted on during the August 25, 2015. The motion approved funding \$150,000 for the demolition and installation of the concrete foundation prior to the 1135 project.*

## **D. Delegation of Authority; Resolution 2015-29**

Ms. Fine stated staff completed a massive overhaul of the CEO's Delegation of Authority to achieve the following goals:

- Comply with laws and regulations and have flexibility when allowed:
- Ensure internal controls remain in place:
- Remove repetitive and inconsistent items:
- Have all policies in one document and in one place:
- Allow the Commission to focus on more meaningful projects.

The massive overhaul included an understanding of policies versus procedures. Policies are more permanent (like laws), while procedures should be updated more often to reflect change in culture, ability to properly manage, and to set processes for staff to follow, ensuring compliance with policies and laws in our daily actions. Furthermore, staff combined all prior individual resolutions that authorized the CEO to take certain direction into one policy. This allows for policies or procedures to be located in one document.

The changes made to the CEO's Delegation of Authority are outlined in **Exhibit A**.

Ms. Fine stated the Port has numerous internal controls in place for almost every function that is performed at the Port, furthermore, Ms. Fine analyzed each policy for risk potential and audit compliance and found the risk very low. The changes in the CEO's Delegation of Authority will allow the Commission freedom to focus on the larger projects. Ms. Fine stated Mr. Moak, Mr. Kooiker, Ms. Luke, staff, and Mr. DeJulio assessed and reviewed the policy changes.

Mr. Barnes reiterated that Ms. Fine and staff assessed and evaluated the CEO's Delegation of Authority policies and updated as deemed necessary and placed in one working document. Ms. Fine worked with Mr. Moak, Ms. Luke, and staff to ensure complete compliance.

## **PUBLIC COMMENT**

Ed Frost, 609 West Albany Street, Kennewick. Mr. Frost stated Mr. Arntzen is an honest and good CEO, nevertheless, he believes the Commission should be cautious of extending the CEO's approval limit to \$200,000. Mr. Frost stated if there is a mistake with the allocation of Port funds, the Commission would be held accountable, not Mr. Arntzen. Mr. Frost believes \$50,000 may be too low, but \$200,000 is too high and stated the Commission could utilize the Consent Agenda for approval for larger items.





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No further comments were made.

**MOTION:** *Commissioner Novakovich moved for approval of Resolution 2015-29, amending the Chief Executive Officer's Delegation of Authority, with one modification, decreasing the \$200,000 approval limit to \$100,000 and removing and replacing all previous Port policies which were adopted, that addressed the items identified in the new policy; Commissioner Barnes seconded.*

***Discussion:***

*Mr. Moak stated the work completed by Ms. Fine and Ms. Luke was thoroughly vetted and Mr. Moak had the opportunity to review the policy changes and make any comments, which were then incorporated into the document. A lot of the changes are mainly cleaning up policy language and making policies clearer, however the policy also allows the Port CEO to run the Port. Mr. Moak respects Mr. Frost's comments, however, he believes a lot of things need to be responsibility of the CEO, who the Commission has chosen to run the Port. Mr. Moak stated, when you have a Port CEO with the tenure of Mr. Arntzen, there should be a broader Delegation of Authority versus someone who is new to the position. Mr. Moak reiterated that the Port has internal controls in place and it is the practice of Mr. Arntzen to bring items to the Commission even when they are within his Delegation of Authority to approve, based on their weight or concern. It is the Commission's job to provide the CEO with the authority to run the Port and he does not believe the increased amount is a key issue. Mr. Moak stated there is great communication between Mr. Arntzen and each member of the Board and does not fear any of the changes in the Delegation of Authority. Mr. Moak asked that when the CEO establishes additional procedures as stated in the Delegation of Authority, he update the Commission with the changes.*

*Mr. Barnes asked Ms. Fine to address the issue.*

*Ms. Fine deemed the approval authority as low risk, because of the significant discussions about the two year Work Plan and Budget. Ms. Fine analyzed all Port projects which would fall under the \$200,000 threshold stated capital projects are above the threshold. Ms. Fine stated, for example, Mr. Arntzen would have the ability to hire an A&E firm to jumpstart a project, rather than waiting for Commission approval, which would allow for more flexibility. Furthermore, if the item isn't in the budget, the Commission would need to amend the Work Plan and Mr. Arntzen is only authorized to do what is approved in the budget. Mr. Arntzen is a proven CEO who follows his goals and objectives, as outlined by the Commission. The Delegation of Authority leaves in place all of the same strong internal controls. Ms. Fine addressed Mr. Moak's concern about CEO procedures and stated Ms. Luke is close to completing her review and it will not be effective until it is completed and approved by Mr. Arntzen. Ms. Fine is hoping to roll the procedures out by January 1, 2016.*

*Mr. Novakovich stated he is not concerned about Mr. Arntzen and the approval amount, however, there have been issues in Franklin County and he believes there would be a negative public perception. Mr. Novakovich stated he lowered the threshold amount for Mr. Arntzen's and staff's protection.*



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*Mr. Barnes stated Mr. Novakovich's comments are well taken, however, the Commission has a staff recommendation, which is supported by counsel, Mr. DeJulio, and Mr. Moak, that the approval will make the Port run more efficiently. As reported by Ms. Fine, safeguards are in place and if, at any time the Commission would like to reevaluate the CEO's Delegation of Authority, they may revisit and amend the threshold.*

*Mr. Novakovich asked Mr. Arntzen if he is comfortable with the \$200,000 threshold and the public's perception.*

*Mr. Arntzen stated he is comfortable with whatever framework is established by the Commission. Mr. Arntzen understands both sides and stated the \$50,000 is rather low and because of that, many items are brought before the Commission for repeated approval. Mr. Arntzen believes there should be an increase, due to inflation, and will gladly work within the parameters set by the Commission.*

*Mr. Moak stated Mr. Arntzen does not sign checks and what happened at Franklin County were fraudulent activities, where internal controls were not in place. The internal controls which were established by the Chief Financial Officer (CFO)/Auditor are what protects the Port and prohibits fraud from happening.*

*Mr. Arntzen stated he is impressed with level of internal controls that have been established and commended Ms. Fine, Ms. Luke and Mr. Moak on their work on the policies. Mr. Arntzen has reviewed the Delegation of Authority and stated he can comply with it, and can work with any dollar amount established by the Commission.*

*Ms. Fine stated in 2010, legislation for personal service laws requires ports to have board approval on amounts over \$200,000. In addition, there are other laws regarding bidding requirements for amounts under \$200,000. The legislation appears to be comfortable allowing ports flexibility for amounts under \$200,000 due to the additional requirements.*

*Mr. Novakovich withdrew his motion and asked Commission Barnes to withdraw his second.*

*Mr. Barnes withdrew his second.*

**MOTION:** *Commissioner Novakovich moved for approval of Resolution 2015-29, amending the Chief Executive Officer's Delegation of Authority, and removing and replacing all previous Port policies which were adopted, that addressed the items identified in the new policy; Commissioner Moak seconded.*

*Discussion:*

*Mr. Moak thanked Ms. Fine for addressing this issue and updating important information and removing duplications. Mr. Moak stated the Delegation of Authority can be changed at any time, furthermore, this allows the Commission to focus on the upcoming major projects.*





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*Mr. Novakovich stated Mr. Arntzen has done an excellent job as CEO of the Port and is comfortable with the Delegation of Authority.*

*Mr. Barnes thanked Mr. Moak and staff for working on improving the Port policies and stated it was no small undertaking. The updated Delegation of Authority puts the Port in a better position going forward to focus on the upcoming projects. Mr. Barnes stated it was important to address the public's concerns, because the Port is a public entity, and it is our job to protect and safeguard public funds.*

*With no further discussion, all in favor, 3:0. Motion carried unanimously.*

*Mr. Barnes recessed the meeting at 3:42 p.m. for a break and will reconvene at approximately 3:55 p.m.*

*Mr. Barnes reconvened the meeting at 3:56 p.m.*

## NEW BUSINESS

### **A. Bid Award: Boat Launch In-Water Work; Resolution 2015-30**

Mr. Peterson stated for the Commission's consideration is Resolution 2015-30, which establishes a one-time authorization for the Executive Director, to approve a small works contract, up to \$300,000. Due to the limited work window, December 15, 2015-February 29, 2016, imposed by State and Federal agencies, the need to complete these improvements is imperative to move forward. Waiting to consider the bids received at the next Port Commission meeting jeopardizes the ability to complete the work within the work window. The resolution would grant a one-time authorization for the Chief Executive Officer to execute a contract with the lowest responsive bidder for the boat ramp repair and reconstruction project for an amount not to exceed \$300,000.

Mr. Moak inquired if there is an alternative, such as a Special Commission Meeting, in order to approve the contract.

Mr. Peterson stated it could be an alternative, however, scheduling the meeting could be difficult. Mr. Peterson conveyed every day is crucial because of the limited time frame.

## PUBLIC COMMENT

No comments were made.

***MOTION:*** *Commissioner Novakovich moved for approval of Resolution 2015-30, authorizing the Port's Chief Executive Officer to execute a small works construction contract with the responsive low bidder for the removal of the existing boat launch ramp panels, grading and installations of new concrete panels and support framing at the Clover Island boat ramps in sum not to exceed \$300,000.00, including applicable sales tax; Commissioner Moak seconded.*

*Discussion:*

*Mr. Moak stated this is a one-time circumstance for a specific purpose and specific time frame that needs to be adhered to and supports the motion.*



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*With no further discussion, all in favor, 3:0. Motion carried unanimously.*

## REPORTS, COMMENTS AND DISCUSSION ITEMS

### **A. Rural County Capital Funds**

Mr. Arntzen stated in 1998, Benton County qualified for the Rural County Development Sales Tax, which was to be used for economic development. Benton County used the funding to construct the jails, however, the legislature later clarified the tax and stipulated the money could not be used for corrections facilities. Benton County then took out a bond to construct the jail and used the accumulation of the Rural County Capital funds to service the debt on the current jail. The current projection states the bond should be paid off by the end of 2015, but the Rural County Capital funding will be available for another seven years. The Mayor of Prosser researched the Rural County Capital Funding and has held one meeting with local jurisdictions to discuss the benefits of the Rural County Capital Funds. Mr. Arntzen stated it is very important for the local jurisdictions to have continued dialogue with the County Commission, who have been approached. Mr. Arntzen stated he attended the meeting and there is a potential availability of capital funds, however, these are County funds. Benton County has a procedure to allocate the funds, which is based up on meritorious application from the jurisdiction, which looks at job creation or provision of infrastructure that would be beneficial to the community.

Mr. Novakovich inquired how much the Port could potentially receive.

Mr. Arntzen stated there were a number of scenarios proposed by the group, but not by the County. Mr. Arntzen stated if the Port is a recipient of these funds, it would be good for the Commission to discuss where those funds would be allocated. Furthermore, the County would have the final say on the merit of a project.

Mr. Novakovich asked if the project could be anywhere in the County or within the jurisdiction.

Mr. Arntzen believes it could be within one of the jurisdictions, but part of incorporated or unincorporated Benton County. Mr. Arntzen stated, if for example the funds were utilized for the Vista Field Infrastructure, the County could look at that as an ROI project because of the increased tax base.

Mr. Moak asked if this is something that the County has to give for economic development or could the funds be allocated elsewhere.

Mr. Arntzen stated he is not well versed in the County's process, but the County's past practice has been not to return the funds to the community. Recently, the City of Richland City Council discussed the topic and an article appeared in the *Tri-City Herald* (December 4, 2015). Mr. Arntzen stated he will gather additional information for the Commission and update them at the next meeting.

Mr. Moak would like staff to work behind the scenes, in case there is an opportunity for the Port to pursue.





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Mr. Arntzen stated according to the 1999 stipulations, there was an acknowledgement to engage in a joint partnership, which would score higher in the County ranking.

Mr. Barnes stated if the original intent for the funds was economic development, he is confident the Port could find some large projects that would benefit Benton County.

Mr. Arntzen stated, for example, Vista Field is a high priority project for the Port, and we are already working with the City of Kennewick. The Benton County Campus is in Vista Field, and it would be a natural collaboration if the three entities entered into a partnership.

## ***B. Columbia Drive***

Mr. Peterson stated plans for the three winery buildings were submitted to the City of Kennewick in November, and the legal ad was published. Mr. Peterson stated plans will be available Tuesday, December 15, 2015, with a bid opening on Thursday, January 21, 2016. Mr. Peterson anticipates construction will begin February 2016 and completed by November 2016. Mr. Peterson reported that Benton PUD is looking at a cost share agreement with the Port for the undergrounding of utilities, which is estimated to cost \$100,000.

## ***C. Vista Field***

Mr. Peterson reported staff met with the City Public Works staff regarding zoning regulations that will apply to both Vista Field and Columbia Drive. The Port will be using zoning that is currently on the books, but combining in a way that allows for flexibility. On January 12, 2016, the Traffic System Impact Analysis (TSIA) is tentatively scheduled to be discussed at the Kennewick City Council meeting.

Mr. Arntzen commended Mr. Peterson for spearheading this Vista Field team. Mr. Arntzen is pleased with the pace of the project and stated if the Port can get a Master Plan that identifies key elements by June of 2016, he will be happy. Mr. Arntzen stated Vista Field will most likely be the largest project the Port will ever accomplish.

Mr. Moak inquired if the zoning design work includes the old Amera Cosmetics building.

Mr. Peterson stated, at present, the Master Plan focuses on Port property only.

Mr. Barnes inquired what the timeline is for the completed Master Plan.

Mr. Peterson stated, DPZ is putting the various elements of the Master Plan together, with the presumption that the TSIA will be well received by the City Public Works Department and City Council. Mr. Peterson hopes the final Master Plan will be before the Commission and City Council by spring of 2016.

## ***D. Expression of Interest***

Mr. Arntzen stated, included in the Agenda Packet is the draft document for the Port's Expression of Interest, which is an attempt to apply a new strategy for receiving Requests for Proposals (RFP) from developers on Vista Field and other Port projects. Mr. Arntzen stated the



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draft document is for Commission review and discussion. Mr. Arntzen stated Ms. Luke and Michael Mehaffy of DPZ helped draft an Expression of Interest and the document outlines the following:

- a. Part One: Preliminary Qualifications;
- b. Part Two: Collaborative Design Process; and
- c. Part Three: Recommendation, Commission Evaluation, Contract, Negotiation, and Formal Planning Process.

Mr. Barnes stated Vista Field is a blank canvas and it is important for the Port to structure work procedures that are transparent and help acquire the best, most qualified partner. This document is a great start and should be discussed and vetted thoroughly.

Mr. Moak asked Ms. Luke if the document should address partiality and transparency throughout the RFP process.

Ms. Luke stated the Expression of Interest is an innovative document and in this type of process, you need to be highly aware of the potential for conflicts of interest and the perception, which can be damaging. To have a document that outlines Port processes and expectations will be very helpful in dispelling those concerns. Ms. Luke stated the document allows for a level playing field and believes it will be a document that will continue to evolve.

Mr. Novakovich stated “innovative” is the best way to describe the Expression of Interest. He is very proud of staff for coming up with this and believes other entities will want it once they see the Port’s success. Mr. Novakovich would like to move forward implementing the document.

Mr. Arntzen asked the Commission to review the document and email him with any comments. Mr. Arntzen will bring back the Expression of Interest for second opportunity for the Commission to discuss and review early next year. Because Vista Field is such a large undertaking the stakes are bigger and there is potential for disagreement but the correct path for the Port is transparency. Mr. Arntzen hopes this process will produce the best developer for Vista Field.

## ***E. West Richland Policy***

Mr. Arntzen requested Commission guidance regarding the West Richland racetrack property, and asked if the Port or our development partner should look at pursuing grants or other funding opportunities. Currently, staff is working on a list of entitlement issues, which were approved in the 2015-2016 Work Plan. Mr. Arntzen stated the entitlement issues need to be solved before the Port can move forward. Mr. Arntzen believes it is premature for the Port to look for grant funding or ask any legislator for a budget line item when the entitlements are not clear. However, if the Commission would like staff to pursue funding, there is a legislator who is willing to run the project for the Port.

Mr. Novakovich stated he has spoken with the legislator and explained that until the entitlement issues are resolved, it would not be wise to invest funding at this time, however, he conveyed to the legislator that the Port may come back at a later date for racetrack infrastructure funding.





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Mr. Novakovich believes an investment right now would not be useful and any major investment should be tied to completion of the I-82 interchange project.

Mr. Moak agrees with Mr. Novakovich's comments and stated the proper sequencing for the project needs to happen, thus the Port needs to clear up the entitlement issues prior to a request for funding.

Mr. Barnes agrees with Mr. Novakovich and Mr. Moak and believes the legislator should focus on the I-82 interchange, which would ultimately do more for the racetrack property and West Richland. Mr. Barnes believes staff should continue to work on entitlement issues and ready the property for development and it would be premature to request funding prior to the entitlement issues. Mr. Barnes stated sequencing is very important and for the Port to be a reliable partner, we should request grants and funds when the project is ready to go.

Mr. Moak believes the I-82 interchange project still needs Federal Highway Approval before the Washington State Department of Transportation can move forward with the transportation package.

## ***F. Art Policy***

*Postponed until January 2016.*

## ***G. Community Economic Development Strategy (CEDS) Project; Resolution 2015-31***

Mr. Bader Inglima stated the Benton Franklin Council of Governments (BFCG) notified the Port that they are opening their Community Economic Development Strategy (CEDS) process for local economic development project submittals. The BFCG identifies and ranks the projects in an effort to elevate the project in pursuit of future Economic Development Application (EDA) funding, when funding is available. In the previous years, the Port repeatedly submitted applications for a Wine Village Development Building for Columbia Drive. The past few years, our project has ranked extremely high on the local CEDS priority list; however, the EDA has not had sufficient funding. Ms. Bader Inglima stated the CEDS application and formal resolution is due on December 16, 2015, however, with factors such as the budget, and an incomplete scope for Vista Field, she does not believe the Port is ready to submit a CEDS application. Furthermore, if the Port pursues and is awarded EDA funding, we are unable to re-approach for additional grant funding for five years. Ms. Bader Inglima inquired if the Commission would like to postpone submitting a CEDS project this year and actively engage with the EDA and other grant processes once the Vista Field Master Plan is finalized and adopted.

Mr. Novakovich concurs with Ms. Bader Inglima and stated it would not be prudent to submit an application this year.

Mr. Moak agrees with Mr. Novakovich and stated it would not benefit the Port to submit an application.

Mr. Barnes stated Resolution 2015-31 has been withdrawn.



# REGULAR COMMISSION MEETING

PORT OF KENNEWICK

DECEMBER 8, 2015 MINUTES

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## ***H. Tri-Cities Legislative Trip to Olympia***

Ms. Bader Inglima informed the Commission that the Tri-Cities Legislative Council Trip is scheduled for January 28-29, 2016. Ms. Bader Inglima stated if the Commission is interested in attending, please email Ms. Scott. In previous years, a Commissioner and a member of staff have attended.

Mr. Moak stated he is unable to attend.

## ***I. Strategic Retreat***

*Postponed until January 2016.*

## ***J. Commission Policy – Election of Officers***

Ms. Luke stated at the December 8, 2015 Commission meeting, the Commission asked counsel to draft language for an Elections of Officers policy. Today, Ms. Luke submitted for the Commission's consideration proposed policy language, which includes:

- Officer Positions: President, Vice President and Secretary;
- Term of Office: Two year term or until his/her successor is elected;
- Timing of Election: Officers shall be elected at first regularly scheduled meeting in January;
- Special Elections: By affirmative vote of 2/3 of the officers, a special election of officers may be held at any regularly scheduled meeting.

Ms. Luke proposed if the Commission is satisfied with the draft language, staff will bring back a revised set of the Port Commission Policies and Procedures for adoption at the next regularly scheduled meeting.

Mr. Moak is satisfied with the draft policy language.

Mr. Novakovich agrees with the draft policy language.

Mr. Barnes concurs with the draft policy language.

Mr. Arntzen stated a special election can be held at any time or reason by a 2/3rds vote to remove an officer, however, if the Commission wants to limit the conditions, they may want to consider adding just cause.

Mr. Moak prefers the original draft policy language.

Mr. Novakovich likes the idea of adding just cause.

Ms. Luke stated the way the draft policy is written allows for flexibility should other issues arise.

Mr. Barnes likes the flexibility of the draft language and adding just cause may not allow for flexibility.





# REGULAR COMMISSION MEETING

PORT OF KENNEWICK

DECEMBER 8, 2015 MINUTES

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Ms. Luke stated the policy can be altered at any time.

Mr. Novakovich stated the policy is fine as is.

Mr. Arntzen commended the Commission for taking initiative to set an election policy.

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

Commissioners reported on their respective committee meetings.

***L. Non Scheduled Items***

Mr. Peterson stated plans for the remodel of Vista Field Development Building A (Bruker) and the Winery Village on Columbia Drive will be available on December 15, 2015. The bid opening for the remodel will be on Wednesday, January 20, 2016 and the bid opening for the Winery Village will be Thursday 21, 2016 and both will be brought to the Commission for consideration on January 26, 2015

## PUBLIC COMMENTS

Boyce Burdick, 414 Snyder Street, Richland. Mr. Burdick stated in Item D, Expression of Interest, and the document utilizes the word public but then morphs into developer. Mr. Burdick inquired where is the ability for private individuals to respond.

Ed Frost, 609 West Albany Street, Kennewick. Mr. Frost stated several months ago, there was discussion regarding a letter of understanding with the Arts Center Task Force for the proposed Vista Arts Center. Mr. Frost believes the letter was going to be completed by December and inquired if the letter has been finished. Also, Mr. Frost thanked Mr. Barnes for emphasizing the need for the Corps to include access to the river in their design. It would be a very nice addition for those who like to walk down by the river and if it is incorporated into the planning it would be far less complicated.

No further comments were made.

Mr. Arntzen encouraged anyone who would like to comment on the Expression of Interest to please contact him. Mr. Arntzen informed Mr. Frost that the Arts Center letter of understanding is almost complete and hopes it to have it finished by January.

## COMMISSIONER COMMENTS

No comments were made.

Mr. Barnes anticipates the Executive Session will last approximately 20 minutes, for Real Estate (Site Selection), per RCW 42.30.110(1)(b) and Real Estate (Minimum Price) per RCW 42.30.110(1)(c) with no action anticipated. Mr. Barnes asked the public to notify Port staff if they will return after the executive session.

Mr. Barnes recessed the Regular Commission Meeting at 5:06 p.m.



# REGULAR COMMISSION MEETING

PORT OF KENNEWICK

DECEMBER 8, 2015 MINUTES

## EXECUTIVE SESSION

- A. *Real Estate (Site Selection), per RCW 42.30.110(1)(b)*
- B. *Real Estate (Minimum Price), per RCW 42.30.110(1)(c)*

Mr. Barnes convened the meeting into Executive Session at 5:08 p.m. for approximately 20 minutes.

Mr. Barnes adjourned the Executive Session at 5:29 p.m.

Mr. Barnes reconvened Regular Commission Meeting at 5:29 p.m.

## ADJOURNMENT

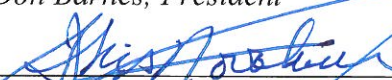
With no further business to bring before the Board; the meeting was adjourned at 5:29 p.m.

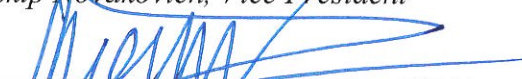
**APPROVED:**

**PORT of KENNEWICK**

**BOARD of COMMISSIONERS**

  
\_\_\_\_\_  
Don Barnes, President

  
\_\_\_\_\_  
Skip Novakovich, Vice President

  
\_\_\_\_\_  
Thomas Moak, Secretary



**PORT OF KENNEWICK**

**Resolution No. 2015-28**

**A RESOLUTION OF THE PORT OF KENNEWICK  
BOARD OF COMMISSIONERS DESIGNATING THE EMERGENCY REPAIR OF  
WATER EXITING OUTDOOR HOSE BID AT VISTA FIELD DEVELOPMENT  
FACILITY BUILDING A AT 415 N. QUAY AS EXEMPT FROM PUBLIC WORKS  
COMPETITIVE BIDDING REQUIREMENTS**

**WHEREAS**, in accordance with RCW 39.04.280, the Port of Kennewick (Port) is authorized to designate certain public works contracts as emergencies and, therefore, exempt from competitive bidding requirements; and

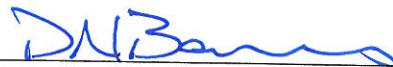
**WHEREAS**, the Port of Kennewick's Vista Field Development Facility (VFDF) #A, outdoor hose bib was broken from freezing temperatures and water exiting threatened to result in material damage to property; and

**WHEREAS**, under his delegation of authority, the Executive Director authorized emergency repairs with Mr. Rooter and each Commissioner was notified individually.

**NOW, THEREFORE, BE IT RESOLVED** that the Port of Kennewick Board of Commissioners designates the repairs to outdoor hose bib at VFDF #A at 415 N. Quay, as an emergency public works project within the guidelines of RCW 39.04.280, and therefore exempt from competitive bidding requirements.

**ADOPTED** by the Board of Commissioners of the Port of Kennewick on the 8<sup>th</sup> day of December, 2015.

**PORT OF KENNEWICK  
BOARD OF COMMISSIONERS**



DON BARNES, President



SKIP NOVAKOVICH, Vice President



THOMAS MOAK, Secretary

***PORT OF KENNEWICK***

**RESOLUTION 2015-29**

***A RESOLUTION OF THE BOARD OF COMMISSISONERS  
OF PORT OF KENNEWICK AMENDING  
CHIEF EXECUTIVE OFFICER'S DELEGATION OF AUTHORITY***

**WHEREAS**, each year the Chief Executive Officer (CEO) reviews the CEO's Delegation of Authority to determine whether changes should be made to reflect current conditions or potential improvements in operations; and


**WHEREAS**, the CEO, Chief Financial Officer (CFO), and Port Counsel have thoroughly reviewed the Delegation of Authority and have proposed significant modifications, which would be in the best interest of the public.

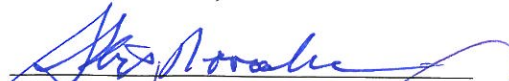
**NOW, THEREFORE, BE IT RESOLVED**, that the Board of Commissioners of the Port of Kennewick hereby approves adopting the Chief Executive Officer Delegation of Authority, as identified in Attachment A.


**BE IT FURTHER RESOLVED**, this policy removes and replaces all previous Port policies adopted which address the items identified within this policy and this policy will be effective upon finalization of the CEO's Handbook and Procedures for Staff. This policy cross references Port Commission Rules of Policy and Procedures and the CEO's Handbook and Procedures for Staff.

**ADOPTED** by the Board of Commissioners of Port of Kennewick this 8<sup>th</sup> day of December, 2015.

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

  
DON BARNES, *President*

  
SKIP NOVAKOVICH, *Vice President*

  
THOMAS MOAK, *Secretary*



**PORT OF KENNEWICK****CHIEF EXECUTIVE OFFICER  
DELEGATION OF AUTHORITY****COMMISSION POLICY NO.1**

Adopted by the Commission on December 8, 2015

Resolution 2015-29

This policy removes and replaces all previous Port policies adopted which address the items identified within this policy. This policy cross references Port Commission Rules of Policy and Procedure and CEO's Procedures for Staff.

**PURPOSE AND AUTHORITY**

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

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

**GENERAL DELEGATION OF AUTHORITY AND RESPONSIBILITY****Delegation of Authority**

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

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

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

### **Consultation with Commission**

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

### **Staff Delegations**

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

## **2. Rules and Procedures**


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

### **EXPRESS DELEGATION OF AUTHORITY AND LIMITATIONS**

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



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

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

## **1.0 LEASES OF REAL AND PERSONAL PROPERTY**

### **1.1 General Lease of Real and Personal Property Policy.**

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

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

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



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

## 2.0 COMMISSION ON LEASES OF REAL AND PERSONAL PROPERTY

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

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


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

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

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

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



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

## 1. REAL OR PERSONAL PROPERTY PURCHASES AND SALES

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

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

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

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

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

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

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

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



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

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

- 1.9. Presentation of Offer to Port Commission.** When the CEO determines that an offer complies with the requirements of this policy, the CEO will submit the offer to the Port Commission for its consideration in due course (usually within 30 days of the submission of the offer to staff). Additionally the CEO will make a written recommendation to the Commission (except in cases of unusual circumstances, in which cases the CEO's recommendation to the Commission may be oral). The CEO's recommendation will request that the Commission accept the offer, reject the offer, present a counter offer or table the offer. The CEO will not sign any proposed offer until approved by the Port Commission by formal resolution.
- 1.10. Action on the Offer by Port Commission.** Offers will be evaluated by the Port Commission based upon the criteria set forth above. If there are competing offers, either of which may be acceptable if made separately, the Port Commission may select the offer it believes best serves the goals of the Port. The Port Commission may reject any or all offers. The Commission will respond to

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

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

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

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

## **2. COMMISSION STRUCTURE FOR LICENSED BROKERS.**

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

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

### **A. SALES OF UNIMPROVED REAL PROPERTY (Bare Land)**


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

### **B. SALES OF IMPROVED REAL PROPERTY (With Structure)**

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

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



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

### **1.0 CONTRACTS FOR PERFORMANCE OF WORK**

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

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

### **2.0 SMALL WORKS PROJECTS**

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

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

### **3.0 FORMAL SEALED BID PROJECTS**

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

### **4.0 NON-ARCHITECTUAL AND NON-ENGINEERING SERVICES**

- 4.1** The CEO may contract out and develop procedures for procurement of professional, personal, technical, or purchased services in accordance with RCW 53.19.
- 4.2** The Port Commission must approve service contracts in excess of \$200,000.
- 4.3** Amounts above \$50,000 but less than \$200,000 are subject to competitive bid requirements. Contracts over \$50,000 must have proper documentation showing the Port staff delegated by the CEO made attempts to identify potential consultants for inviting to bid on Port projects.
- 4.4** Contracts in excess of \$200,000 require a request for proposal process.
- 4.5** Regardless of amount, if the value of a contract amendment or amendments exceeds 50% of the value of the original contract, the amendment must be filed with the Commission and made available for public inspection prior to the proposed starting date of services under the amendment.
- 4.6** Regardless of amount, substantial changes in the scope of work specified in the contract or which are substantial additions to the scope of work specified in the formal solicitation document must be submitted to the Commission for this is required even if the original contract did not require Commission approval.
- 4.7** Regardless of amount, all services listed within this section must have a documented scope of work or services to be performed.
- 4.8** Port Commission exempts the following services from competitive bid process as allowed by RCW 53.19.20 since the Commission deems competitive solicitation process is not appropriate for services that deal with high risk areas, special education, and experience: Human resource, legal, information technology, marketing, project management, writing, accounting, financial, lobbyist, or bookkeeping services.



## **5.0 ARCHITECTUAL AND ENGINEERING (A&E) SERVICES**

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

## **6.0 CHANGE ORDERS.**

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


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

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

## **7.0 EXEMPTIONS TO COMPETITIVE BIDDING**

- 7.1 EMERGENCY.** When an emergency that poses or may pose a threat to life or property requires the immediate execution of a contract for work or professional or personal services, the CEO may make a finding of the existence of an emergency and may execute any contracts necessary to respond to the emergency. The CEO must follow the procedures set forth in RCW 39.04.020, 39.04.280, 53.19.010, 53.19.030 and other applicable laws, as the case may be and as each may be amended or recodified. At the first Commission meeting following the CEO's finding of emergency, the CEO must request Commission ratification of that finding and any contracts awarded or executed pursuant to that finding. To the extent practical, the CEO must continuously advise the Commission of the emergency's development and the progress of any contracts executed to remedy the emergency.


- 7.2 Special Facilities.** For procurement of special facilities or due to market conditions the CEO has the authority to develop procedures in accordance with the law and regulations and approve procurement up to the delegation of authority.
- 7.3 Sole Source Procurement.** If, after conducting a good faith review of available resources, the Port determines that there is only one source of the required services, materials, supplies, or equipment; a contract may be awarded without a competitive bid process. The CEO will develop procedures to ensure compliance with the laws and regulations
- 7.4 Special Market Conditions.** The CEO can consider waiving established bidding requirements up to the delegation of authority if an opportunity arises to purchase favorably-priced equipment, supplies, or used goods at an auction. The CEO will develop procedures to ensure compliance with laws and regulations.

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

### **PERFORMANCE OF CONSTRUCTION WORK BY PORT STAFF.**


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



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

#### **CONTRACTS FOR ACQUISITION OF MATERIALS, EQUIPMENT AND SERVICES.**

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

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

### **1.0 UNCOLLECTIBLE ACCOUNTS AND SETTLEMENTS OF CLAIMS**

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

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


### **2.0 ADJUSTMENT AND SETTLEMENT OF CLAIMS**

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

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

### **3.0 AUTHORITY TO RESOLVE ALL OTHER ISSUES**

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


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

## 1.0 CREDIT CARDS

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


- 1.1. Credit card limits may not exceed \$15,000.
- 1.2. The CEO will maintain a schedule of Port credit cards, lines of credit, the users, along with corresponding credit limits, approval amounts, and such other schedules or procedures determined necessary.
- 1.3. All purchase(s), regardless of amount, must be for valid, authorized Port operations. The Port will seek reimbursement from the responsible approved cardholder for any non-Port purchase(s). Port employees, when submitting expense support for the valid use of authorized Port operations, will use proper documentation requirements as approved by the CEO.
- 1.4. An approved cardholder agrees that the Port has a right to withhold any and all funds payable to the approved cardholder from compensation or other payments from invalid or unauthorized purchase by the approved cardholder, and will have a lien for such right against other sources of funds. The Port can collect late fees and interest in the event the employee causes delay of payment. Cardholders who have been issued a credit card by the Port may not use the card if any disallowed charges are outstanding and must surrender the card upon demand by the CEO.
- 1.5. The CEO may, at any time, revoke the use of any Port credit card for any reason or no reason. Upon delivery of the revocation order to the credit card company, the Port will cease to be liable for any costs associated with the credit card.
- 1.6. Payments must follow the standard payment processing procedures and presented at the next reasonably possible Commission meeting.
- 1.7. Cash advances are prohibited.



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

## **1.0 COMMERCIAL INSURANCE**

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


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

### **1.0 TREASURER AND PETTY CASH ACCOUNTS**

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

### **2.0 SIGNING AUTHORITY**


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

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

## **TRAVEL**


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



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

### **PORT HOLIDAYS, PAID TIME OFF, LEAVE AND BENEFITS**


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

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

## 1.0 STANDARDS OF CONDUCT

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

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

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


## **1.0 VIOLENCE FREE WORKPLACE**

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

## **2.0 DRUG AND ALCOHOL FREE WORKPLACE**


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



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


## **WHISTLEBLOWER ACT**

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

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

## **DISCIPLINE**


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

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

### **RECOGNITION, AWARDS, AND TEAM BUILDING POLICY**


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



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

## **WORKING MEALS**

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

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

## 1.0 PROMOTIONAL HOSTING

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

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

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


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

- Persuade individuals or organizations to donate, supply or sell to the Port (on the best available terms) properties, facilities, services or information needed by the Port to achieve a betterment or improvement of the Port's existing operations, facilities or services.
  - Persuade individuals or organizations to purchase, lease, or contract from or with the Port on terms most favorable to the Port in order that the Port may enter into transactions for the development, improvement or use of its properties and facilities in a manner most suitable to serve the Port's best interests.
  - Persuade individuals or organizations to assist the Port in fostering the increased use of its services and facilities by improving transportation schedules, adding to existing transportation, services and facilities, adjusting rates, improving navigation or generally increasing and improving the scope and efficiency of Port operations so as to contribute to the growth of the Port's business.
  - Beneficiaries of promotional hosting funds must be reasonably capable of influencing or controlling decisions with respect to the subject matters listed above, and each expenditure amount must be reasonable and appropriate in relation to the specific purpose of each incident of promotional hosting.
- 2.4** Reimbursements for promotional hosting expenditures must, to the extent feasible, be supported with appropriate receipts; detail the name and the business relationship of each person hosted; and, in general terms, identify the purpose of the expenditure. All payments and reimbursements must be identified and supported on vouchers supplied by the Port.
- 2.5** Reimbursement vouchers by Port Commissioners for promotional hosting expenditures will be paid only if specifically approved by the Port Commission. *See* RCW 53.36.140.
- 2.6** Without limitation, promotional hosting funds may not be used, and reimbursements will not be authorized, for the following activities or purposes:
- To influence the passage or defeat of any legislation by the legislature of the State of Washington, or the adoption or rejection of any rule, standard, rate or other legislative enactment of any agency of the State of Washington.
  - For purposes not reasonably related in nature and amount to acquiring additional business or otherwise increasing and improving the scope and efficiency of the Port operations
  - For the promotion of transactions prohibited under the conflict of interest statute, Chapter 42.23 RCW.



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

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


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

## **FRAUD PREVENTION AND ETHICS**

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

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


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

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

### **PROGRAMS AND PROCEDURES**

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



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

### **1.0 ELECTIONS AND VOTING**


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

### **2.0 TRADE DEVELOPMENT PROGRAMS**

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


### **3.0 ISSUANCE OF TARIFFS**

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

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

### **AFFIRMATIVE ACTION AND EQUAL EMPLOYMENT**


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

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

## **FIXED ASSETS**

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



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

### **1.0 RECORDS OFFICER**


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

### **2.0 RECORDS COMMITTEE**

The CEO will develop a records committee.

### **3.0 PROCEDURES**

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


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

### **1.0 PORT AUDITOR**

Cross reference Port Commission Rules of Policy and Procedure.

### **2.0 PORT ATTORNEY**

Cross reference Port Commission Rules of Policy and Procedure.

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

## **BUDGET, FINANCIAL & OPERATIONAL PHILOSOPHY**

Cross reference Port Commission Rules of Policy and Procedure.



***PORT OF KENNEWICK***

**Resolution No. 2015-30**

***A RESOLUTION OF THE PORT OF KENNEWICK BOARD OF COMMISSIONERS  
AUTHORIZING THE CHIEF EXECUTIVE DIRECTOR TO EXECUTE A SMALL WORKS  
CONSTRUCTION CONTRACT WITH THE RESPONSIVE LOW BIDDER FOR THE  
CLOVER ISLAND BOAT RAMPS PROJECT AT CLOVER ISLAND, KENNEWICK***

**WHEREAS**, an invitation to bid for the removal of existing boat launch ramp panels, grading and installations of new concrete panels and support framing at the Clover Island boat launch was properly issued to five (5) contractors on the port's small works roster with approved plans and specifications being made available to prospective bidders; and

**WHEREAS**, due to limited construction timeframes as established by State and Federal permitting agencies delay in awarding the contract to the lowest responsive bidder would jeopardize the ability to complete the desired improvements.

**NOW THEREFORE, BE IT RESOLVED**, that the Port of Kennewick Board of Commissioners hereby grant a one-time authorization for the Chief Executive Officer to execute a small works contract in an amount not to exceed \$300,000.00, including applicable tax.

**BE IT HEREBY FURTHER RESOLVED**, that the Chief Executive Officer is authorized to enter into a contract between the Port of Kennewick and the lowest responsive bidder for the removal of the existing boat launch ramp panels and grading and installations of new concrete panels and support framing at the Clover Island boat launch. The Chief Executive Officer is further authorized to proceed with all necessary procedures required to complete work of the project.

**BE IT HEREBY FURTHER RESOLVED**, that the Chief Executive Officer is authorized to amend the 2015-2016 capital budget to reflect the actual bid cost of the project.

**ADOPTED** by the Board of Commissioners of the Port of Kennewick on the 8th day of December 2015.

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

By:   
DON BARNES, *President*

By:   
SKIP NOVAKOVICH, *Vice President*

By:   
THOMAS MOAK, *Secretary*