



PORT OF KENNEWICK REGULAR COMMISSION MEETING

NOVEMBER 22, 2022 MINUTES

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

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

ANNOUNCEMENTS AND ROLL CALL

The following were present:

Board Members: Skip Novakovich, President (via telephone)
Kenneth Hohenberg, Vice President (via telephone)
Thomas Moak, Secretary (via telephone)

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

PLEDGE OF ALLEGIANCE

Marie Mosley led the Pledge of Allegiance.

PUBLIC COMMENT

No comments were made.

CONSENT AGENDA

- A. *Approval of Direct Deposit and E-Payments Dated November 16, 2022***
Direct Deposit and E-Payments totaling \$68,862.22
- B. *Approval of Warrant Register Dated November 22, 2022***
Expense Fund Voucher Number 104289 through 104316 for a grand total of \$108,352.21
- C. *Approval of Regular Commission Meeting Minutes November 8, 2022***
- D. *Authorization for CEO to Execute Letter to Greenbrier Rail Services (Exhibit A)***
- E. *Approval to Amend Contract with Express Employment Professionals; Resolution 2022-39***

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

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NEW BUSINESS

A. *Chief Executive Officer Annual Performance Review; Resolution 2022-40*

Mr. Kooiker presented the history of the Evaluation Committee and stated that the Committee met several times to reestablish the procedures. Mr. Kooiker, Commissioner Hohenberg and Ms. Lake make up the Committee and streamlined the performance review. Additionally, the Committee is working on CEO goals for 2023-2024.

Ms. Lake stated the Committee was very thoughtful and deliberated multiple times. Ms. Lake stated as reflected in the CEO Evaluation Report and Evaluation (*Exhibit B*), if there was ever a challenge, it was how to include all the accomplishments over the past year into the approved format. Ms. Lake stated the Committee included a detailed report on the duties and expectations of the CEO. The Committee believes that 2022 was a very successful year under the CEO's leadership and the strongest statement is that the "CEO has steered the Port back to being mission focused and to achieve the best return for taxpayer dollars." Ms. Lake stated the Committee recommends the Commission approve a performance rating as exceptional in accordance with the CEO's contract. Furthermore, the last two years of COVID have been unprecedented and based upon the economic times and the exceptional performance, the Committee is recommending a one-time salary adjustment of +9% for 2023, and then revert to the standard in the CEO contract for 2024.

Commissioner Hohenberg agrees with Mr. Kooiker and Ms. Lake's comments and stated goals are great, and the Port has done a lot of great things this past year; however, Commissioner Hohenberg appreciates the great work that gets done every day by the manager, the fires he puts out, and leading in a way that the Commission does not receive calls from constituents. Whatever the issue has been, Mr. Arntzen has led with integrity and positive outcome. Commissioner Hohenberg offered up examples of other cities and entities offering higher than normal salary adjustments because of issues like: COVID, inflation, and other economic problems. Commissioner Hohenberg fully supports the recommendations brought forth by Committee.

Commissioner Novakovich thanked the Committee for their work on the evaluation and stated some of the goals that we were looking for with the revised evaluation process was consistency, transparency, and brevity and he believes the Committee succeeded.

MOTION: Commissioner Hohenberg moved to approve Resolution 2022-40 regarding the CEO's 2022 Annual Performance Review and adopting the CEO Evaluation Committee's Performance Appraisal Rating recommendation attached as Attachment "A" and that the Commission hereby deems the CEO's performance for 2022 as "exceptional"; Commissioner Novakovich seconded.

PUBLIC COMMENT

Marie Mosley, City of Kennewick City Manager. Ms. Mosley wanted to take the opportunity to say she has enjoyed years of working with Mr. Arntzen as the Port's CEO. Mr. Arntzen has been an exceptional leader and has been a visionary, and works very well with the City of Kennewick in partnership. Ms. Mosley is very happy and proud to be working with the Port and Mr. Arntzen. Ms. Mosley is supportive of the direction that the Commission is heading with Mr. Arntzen's performance review and concurs

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with the work that she has seen Mr. Arntzen do and the partnership we have enjoyed between the City and the Port. Ms. Mosley stated that in large reason are the contributions that Mr. Arntzen provides and the partnership and the work that he does to facilitate that relationship between the City and the Port.

Commissioner Novakovich thanked Ms. Mosley for the City's partnership with the Port of Kennewick, and he really appreciates it. Commissioner Novakovich stated if people look at what we have done through the partnership we have created, it is an exceptional partnership and benefits our constituents.

No further comments were made.

With no further discussion, motion carried unanimously. All in favor 2 Ayes (Commissioners Hohenberg and Novakovich); 1 Abstain (Commissioner Moak).

MOTION: *Commissioner Hohenberg moved that the Commission, in its approval of Resolution 2022-40, in accordance with the CEO's contract, and with consideration the CEO Evaluation Committee's recommendation, adopt a CEO salary of adjustment for 2023 of a one-time salary adjustment of +9%, based on the rationales and for the time limits as stated in the CEO Evaluation Committee's recommendation; Commissioner Novakovich seconded.*

PUBLIC COMMENT

No comments were made.

With no further discussion, motion carried unanimously. All in favor 2 Ayes (Commissioners Hohenberg and Novakovich); 1 Abstain (Commissioner Moak).

REPORTS, COMMENTS AND DISCUSSION ITEMS

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

Commissioners reported on their respective committee meetings.

B. *Non-Scheduled Items*

Ms. Hanchette reported that the Veteran's Christmas Tree located in The Willows is lit and the operations team is working on lighting Clover Island.

Mr. Arntzen thanked the Evaluation Committee and Ms. Mosley for her comments. We have worked together for many years, and it has been Mr. Arntzen's pleasure to work with Ms. Mosley. Mr. Arntzen thanked the Port team and stated very seldom does a person accomplish anything by himself or herself, it's a team sport. Mr. Arntzen thanked the Commission for making very sound decisions, and believes we have a lot to look forward to and have been successful in the past. Furthermore, he believes we will continue to be successful in the future.

Commissioner Hohenberg is very thankful for his transition to the Port of Kennewick as a Commissioner and stated it certainly has been an exciting year and we have gotten a lot of stuff done despite a lot of obstacles and unknowns. Commissioner Hohenberg is really looking forward to 2023 and wished everyone a happy and safe holiday. Commissioner Hohenberg thanked the

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Port staff and his fellow Commissioners for their patience, as he gained further understanding of the Port.

Commissioner Novakovich stated Commissioner Hohenberg has been a welcome addition to the Commission and appreciates him being here.

Commissioner Novakovich echoed the Evaluation Committee's comments and stated he has known Mr. Arntzen since 1996, and he has seen the progress Mr. Arntzen has made and how he works with people. Commissioner Novakovich agrees with Ms. Mosley on the partnership that Mr. Arntzen was able to develop and praised him for his ability to keep the Port team intact through COVID and various issues. Commissioner Novakovich thinks the evaluation and the 9% increase in salary is very well deserved.

PUBLIC COMMENTS

No comments were made.

COMMISSION COMMENTS

No comments were made.

ADJOURNMENT

With no further business to bring before the Board; the meeting was adjourned 2:28 p.m.

APPROVED:

PORT of KENNEWICK

BOARD of COMMISSIONERS

DocuSigned by:

Skip Novakovich

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Skip Novakovich, President

DocuSigned by:

Kenneth Hohenberg

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Kenneth Hohenberg, Vice President

DocuSigned by:

Thomas Moak

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Thomas Moak, Secretary

PORT OF KENNEWICK

RESOLUTION No. 2022-39

***A RESOLUTION OF THE BOARD OF COMMISSIONERS
OF THE PORT OF KENNEWICK AUTHORIZING
AN AMENDMENT TO THE CONTRACT WITH
EXPRESS EMPLOYMENT PROFESSIONALS***

WHEREAS, Express Employment Professionals has been a reliable source for temporary workers to perform maintenance duties at various port properties; and

WHEREAS, the Port Commission authorized a contract with Express Employment Professionals on February 8, 2022 in the amount of \$100,000; and


WHEREAS, the Port needs to amend the contract to add additional funding to maintain properties at the desired levels.

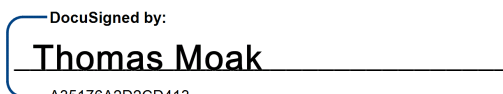
NOW, THEREFORE, BE IT HEREBY RESOLVED that the Board of Commissioners of the Port of Kennewick hereby authorize the Port's Chief Executive Officer to execute an amendment to the service agreement with Express Employment Professionals for \$75,000.

ADOPTED by the Board of Commissioners of the Port of Kennewick on the 22nd day of November 2022.

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

By: 
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SKIP NOVAKOVICH, *President*

By: 
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KENNETH HOHENBERG, *Vice President*

By: 
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THOMAS MOAK, *Secretary*

PORT OF KENNEWICK

Resolution No. 2022-40

**A RESOLUTION OF THE BOARD OF COMMISSIONERS
OF THE PORT OF KENNEWICK APPROVING THE
PORT CHIEF EXECUTIVE OFFICER'S
2022 PERFORMANCE EVALUATION**

WHEREAS, the Port Commission oversees the annual evaluation of the Port's Chief Executive Officer's ("CEO") performance pursuant to the CEO's Employment Agreement, and pursuant to Resolution 2022-19, by which the Commission authorized a CEO Evaluation Committee.

WHEREAS, the CEO Evaluation Committee consists of Port Commissioner Ken Hohenberg, Port Chief Financial Officer Nick Kooiker and Port General Legal Counsel Carolyn Lake.

WHEREAS, as directed by the Port Commission through its adoption of Resolution 2022-19, the CEO Committee met on multiple occasions to undertake the CEO evaluation, using the evaluation procedure, as described in Resolution 2022-19, Exhibit A.

WHEREAS, the CEO Evaluation Committee also is charged with offering a recommendation for salary adjustment in accordance with the CEO employment agreement.

WHEREAS, the CEO Evaluation Committee has shared its written recommendation with the CEO as Resolution 2022-19 directs and has shared its written recommendation with the full Commission, with a copy attached hereto as **Attachment 1**.

NOW, THEREFORE, BE IT HEREBY RESOLVED AS FOLLOWS:

1. **Performance Evaluation.** The Port of Kennewick Board of Commissioners has reviewed the CEO Evaluation Committee's recommendation attached as Attachment "A" and hereby ☒ approves ☐ modifies the CEO's performance evaluation as recommended.
2. **Performance Appraisal Rating.** The Port of Kennewick Board of Commissioners, in accordance with the CEO's contract, and with consideration of the CEO Evaluation Committee's recommendation hereby deems the CEO's performance for 2022 as: ☒ "exceptional", ☐ "satisfactory", or ☐ "above satisfactory".
3. **CEO Salary Adjustment.** The Port of Kennewick Board of Commissioners, in accordance with the CEO's contract, and with consideration the CEO Evaluation Committee's recommendation, adopts a CEO salary adjustment for 2023 as follows:

☒ a one-time salary adjustment of +9%, based on the rationales and for the time limits as stated in the CEO Evaluation Committee's recommendation.
☐ Other: _____.

Resolution No. 2022-40

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ADOPTED by the Board of Commissioners of Port of Kennewick on the 22nd day of November, 2022.

By: 
0E53A30E1C8E442...
SKIP NOVAKOVICH
President

By: 
89F77EAC8921416...
KENNETH HOHENBERG
Vice President

By: Abstain

THOMAS MOAK
Secretary

Attachment 1 to Proposed Resolution 2022-40

2022 CEO ANNUAL PERFORMANCE REVIEW CEO Evaluation Committee's Recommendation to Commission

IMPORTANT DUTIES/EXPECTATIONS	PERFORMANCE APPRAISAL		COMMISSIONER COMMENTS
	Met	Not Met	
<p>I. <u>Vision and Purpose</u></p> <p>A. Assists the Commission in defining its shared vision. Communicates that direction to the organization.</p> <p>B. Collaborates with the Commission to advance the Port's vision and purpose.</p> <p>C. Advocates the vision by strategic resource allocation toward attainment.</p>	X		<p>The CEO has steered the Port back to be mission-focused and achieving the best return for taxpayer dollars. Some examples include:</p> <ul style="list-style-type: none"> Resolving the Governance Audit in a time and cost-efficient manner. Overseeing an economical review and update of Commission Rules of Policy and Procedures Preparing and sharing Port Priorities Briefing Memo for Commission discussion Simplified and revised the art fund policy via Resolution 2022-24
<p>II. <u>Strategic Agility</u></p> <p>Is proactive; anticipates future trends, benefits and consequences; has broad knowledge and perspective; can objectively state possibilities and probabilities.</p>	X		<p>The CEO successfully undertook the following pro-active initiatives:</p> <ul style="list-style-type: none"> Modified workplace protocols to address COVID 19 in a manner that preserved Port staff productivity and morale. Led public meeting protocols to operate remotely to accommodate pandemic restrictions while also maintaining transparency between Commission and the public.
<p>III. <u>Operating Plans/Financial Plans</u></p> <p>A. Develops, maintains and implements strategic plans and operational goals that effectively brings the Port's vision to fruition.</p> <p>B. Administers the Port's financial affairs consistent with state law and adopted policies, budget and financial guidelines.</p>	X		<p>The CEO in partnership with Commission and Staff effectively keeps the Port's focus in alignment with Port's adopted Policies and Budget- no easy task.</p> <p>Completed the Laserfiche contract routing process, as well as a paperless review and digital document filing system to reduce costs and increase efficiency of the records management process</p>

Attachment 1 to Proposed Resolution 2022-40

	Met	Not Met	
<p>IV. <u>Integrity</u> Sets the tone for the Port by exemplifying consistent values and high ethical awareness, honesty, and fairness.</p>	X		<p>The CEO operates with transparency, both internally with Staff and Commission and externally with the public.</p> <p>With CEO leadership, Port achieved clean Performance Audit results in 2019 and 2020.</p>
<p>V. <u>Political and Institutional Sensitivity</u></p> <p>A. Maneuvers through complex political and institutional situations effectively; anticipates potentially negative reactions, recommends and plans a course of action; views politics as a necessary part of organizational and public sector life and works to be effective within that reality. Unless otherwise not practical, obtains Commission concurrence prior to publicly stating position.</p> <p>B. Develops solutions to complex issues that challenge the Port's ability to recognize its vision and purpose. Demonstrates sensitivity to resource availability when developing solutions.</p>	X		<p>Proactively puts out sparks before they become fires.</p> <p>Researched and worked to understand implications to Clover Island, waterfront masterplan, and historic downtown redevelopment; and to receive greater community feedback related to Clover Island Inn purchase/lease options for the Fortify "micro" housing proposal. Advised Commission regarding that proposal—a process which took seven months and a tremendous amount of staff time and energy that went into shepherding that proposal to resolution; including reaffirming Clover Island land lease policy Resolution 2022-05.</p> <p>Coordinated public hearing and redistricting process using independent consultant to evaluate and propose Revised Commission District boundaries—legally required adjustments successfully completed with no complaints filed Resolution 2022-22.</p> <p>Managed property security /health/safety issues and police and agency incident reports regarding squatters, car crashes into lighthouse wall/streetlights, dock damage, boat sinking, oil/gas spills in marina, vandalism, graffiti, and restroom and other property damage.</p> <p>Managed transfer of Vista Field streets to city; established legal lots of record at Vista Field and recorded parcels with County; and recording of the Vista Field Covenants Conditions and Restrictions with Benton County.</p>

Attachment 1 to Proposed Resolution 2022-40

<p>C. Leads the Port in building effective relationships with tenants, customers and community.</p>			<p>Worked with USACE on 1135 construction project for shoreline restoration and managed that project for the protection and benefit of the Port and its investment partners-- transitioned that project from A&E design to construction, to current mitigation of erosion of soil and plants.</p> <p>CEO has worked to sustain and strengthen significant partners:</p> <ul style="list-style-type: none"> o US Army Corps of Engineers: 1135 Project; toured Clover Island project (also discussed Duffy's Pond and port's adjacent land interests) with USACE Senior Policy Official and Walla Walla District Chief of Plan Formulation Section. o Washington State Recreation office: Toured with RCO ALEA grant manager and provided quarterly reports regarding Clover Island 1135 project. o City of Kennewick: Engaged in multiple and ongoing conversations with City of Kennewick manager regarding MOU for future RCCF funding/partnership projects. Resolved Deschutes Driveway/access via interlocal agreement with city and property owners Resolution 2021-22. Concluded Washington Street improvement ILA. Renewed Columbia Gardens "vibrancy" marketing arrangement with city; and recognized City investments at Vista Field and Columbia Gardens gala events. o Benton County: Recognized County's RCCF investments at Vista Field and Columbia Gardens gala events; managed RCCF grant for Clover Island and applied for RCCF for hangar project funds. o City of Richland: Coordinated Interlocal Agreement and financial support for City of Richland's Center Parkway Extension Project with ribbon cutting on 9/28/22. o Kennewick Police Department: Met with Chief Guerrero regarding port projects/KPD support in ensuring safety of
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Attachment 1 to Proposed Resolution 2022-40

			<p>port properties; discussed KPD support for Vista Field hangar project.</p> <ul style="list-style-type: none"> o TRIDEC: Coordinated with TRIDEC to strengthen involvement with Port marketing and promotion for Vista Field during RECON. o CTUIR: Met with Executive Director, Don Sampson and Chairwoman, Kat Brigham of the CTUIR regarding the port's projects and plans.
	Met	Not Met	
<p>VI. <u>Knowledge/ Decision Quality</u></p> <p>A. Knows how successful public ports work; knowledgeable in current and possible future practices, trends and information affecting port management, the port industry and our Port; knows the competition; is aware of how strategies and tactics work in the marketplace.</p> <p>B. Makes good decisions based on analysis, wisdom, experience and judgment; most solutions and suggestions turn out to be correct when judged over time.</p>	X		<p>Leads Port in strategic manner; knows what the Port is and is not.</p> <p>Managed marina at 100% capacity during peak season, coordinated fifteen boat haul-outs (average of three per month May through September); contracted for algae treatment.</p> <p>Researched and shared report investigating options for new maintenance facility location or lease including a Maintenance Facility Report by Energy Northwest</p> <p>Researched and provided port with option to state-mandated Long-term Care Act deductions.</p> <p>Transitioned IT services to new provider/upgraded technology to protect port systems.</p>
<p>VII. <u>Leadership/Management</u></p> <p>A. Demonstrates an entrepreneurial spirit by identifying ways to generate revenue, investment capital and maximizes the financial potential of existing port assets.</p>	X		<p>CEO managed expanded contract with Vibrancy Consultant for Columbia Gardens to work with food trucks and wineries which enabled coordination with Visit Tri-Cities to highlight the wine village during the TBEX travel blogger exchange, coordination of bus tours from the paddlewheel ships docking in Richland; and coordination of four "Summer Saturday Markets" generating substantial exposure and visitation for the wine & artisan village.</p>

Attachment 1 to Proposed Resolution 2022-40

<p>B. Rallies support behind the vision and strategic plan; can inspire and motivate staff and community.</p> <p>C. Creates an environment where employees at all levels contribute their knowledge, skills, abilities and ideas in a way that maximizes their potential. Employee potential is not limited by divisional walls or job title. Appropriately delegates to others. Is a good judge of talent; hires the best people available inside or outside the organization.</p> <p>D. Creates a climate in which people want to do and can do their best; can motivate team or project members; empowers others; invites input and shares ownership and visibility. Makes each person feel his/her work is important.</p>			<p>Successfully negotiated Bruker lease amendment for VFDF building; protecting port interests while respecting the evolving needs of a long-standing tenant via Resolution 2021-21; resolved lease termination with Resolution 2022-12.</p> <p>Presented Port of Kennewick projects and plans to Tri-City Area Regional Chamber of Commerce during their Annual State of the Ports luncheon; and gave a port/city partnership presentation to Kennewick City Council.</p> <p>Recognized Don Britain as 2021 Friend of the Port.</p> <p>Oversight and management of marketing and promotions for the port and port projects including launching the VistaField.com website, television, print, digital and social ads for both Vista Field and Columbia Gardens parcels; prepared eight new artistic renderings to help people understand the Vista Field vision; developed marketing materials to promote The Willows, Cable Greens, and Oak Street sites for sale; and port summer newsletter distributed.</p> <p>CEO actively involves all of Staff in providing input on annual Budget development; allowing all to have ownership in the final product.</p> <p>Implemented the Vista Field Team, where Staff members wear multiple hats, gaining broad operational growth and experience.</p> <p>Evokes Staff loyalty to the Port, Managed the port as a highly productive, successful, fiscally-sound organization, including leadership of a team of 13 employees whose average employment is 12.4 years with the Port.</p>
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Attachment 1 to Proposed Resolution 2022-40

	Met	Not Met	
<p>VIII. <u>Initiative/Courage/Adaptability</u></p> <p>A. Self-starting ability. Promptly takes hold and follows through with minimum direction.</p> <p>B. Willingness to state opinions and reasons without concern about the popularity of the views. Forthrightness in dealing with Commission, customers, suppliers, and others in the organization.</p> <p>C. Ability to adjust to changing conditions or unusual assignments. Flexibility in undertaking a variety of assignments, acceptance of decisions which go counter to own opinion.</p>	X		<p>Completed Vista Hangar Analysis and budget for the Hangar Renovation Project. This mission originally had an unacceptable price tag. The CEO was able to present a lean budget to accomplish the Project on lean budget; and submitted an application for RCCF funds to support this Vista Field Southern Gateway and Hangar Renovation project.</p> <p>Managed successful resolution to the Kiwanis playground project proposed for Columbia Gardens; and oversaw conceptual design for Wayfinding Signage at Columbia Gardens, assisted with presentation to Commissioners.</p> <p>Identified funds/adjusted budget and moved that signage project through A&E design to prepare that project for bid in October.</p> <p>Managed process of releasing Cave B from their lease, marketed that space, and worked to secure Muret-Gaston as new tenant for Columbia Gardens.</p>
<p>IX. <u>Loyalty</u></p> <p>Understanding and accepting of goals and policies of the organization. Willingness to support organization and management.</p>	X		<p>Leads with a 360-degree strategic vision, to anticipate issues and formulate a positive path forward.</p> <p>Supports the success of the Commission by providing the required information and allowing the appropriate time frame for decision making.</p> <p>On critical issues, provides the Commission multiple sessions for introduction, discussion and or planning sessions before seeking Commission action. One example of this is the 2023-2024 Budget.</p>

Attachment 1 to Proposed Resolution 2022-40

			<p>Regularly communicates commission direction and goals to management and staff so all elements of the Port stay aligned.</p> <p>Even when facing contentious decisions, remains loyal and committed to carry out the mission of the Port.</p> <p>Evokes staff loyalty to the Port and promotes a culture of positive teamwork.</p> <p>Manages contentious matters using visionary thought processes and creative solutions. One example is the budget for the Hanger Renovation Project, described above.</p>
	Met	Not Met	
<p>X. <u>Communications</u></p> <p>Effectiveness of exchanging significant information throughout all levels of the organization; with clients, vendors, and the public.</p>	X		<p>Provides excellent opportunities for regular communication with individual commissioners.</p> <p>Diligent in responding to requests for information from commissioners, staff and community.</p> <p>Keeps Port commissioners informed of relevant community issues and prepared to respond.</p> <p>Values transparency and executes significant public outreach.</p>

Additional Committee Comments:

The year 2022 was a very successful one for the Port of Kennewick, under the leadership of CEO Arntzen. In summary, the CEO has steered the Port back to be mission-focused and to achieving the best return for taxpayer dollars. The CEO in partnership with Commission and staff effectively keeps the Port's focus in alignment with Port's adopted Policies and Budget- no easy task. CEO Tim Arntzen leads with a 360-degree strategic vision, to anticipate issues and formulate a positive path forward. He manages contentious matters using visionary thought processes and creative solutions. CEO Tim Arntzen operates with transparency, both internally with Staff and Commission and externally with the public.

Attachment 1 to Proposed Resolution 2022-40

Therefore, based on all the above reasons, the CEO Evaluation Committee recommends to the Commission for approval a performance rating of “Exceptional” in accordance with the CEO contract.

In addition, the Committee recommends a one-time salary adjustment of +9%, based on the unusually high inflation and cost of living increase we currently are experiencing. Future CEO evaluations, including 2024, should revert back to the terms of the CEO contract unless exceptional circumstances exist at that time as well, as determined by the CEO Evaluation Committee at that time.



AGENDA REPORT

TO: Port Commission

FROM: Amber Hanchette; Director of Real Estate & Operations

MEETING DATE: November 22, 2022

AGENDA ITEM: Twin Tracks – Authorization for CEO to Execute Letter to Greenbrier Rail Services

I. REFERENCE(S):

Meeting Minutes September 27, 2022 – Commission consensus for staff to move forward with Greenbrier Rail's proposal to construct a tent structure at the Twin Tracks Industrial Park

II. DISCUSSION:

The attached letter summarizes the tenant request, lease language, and tenant requirement to secure a surety bond in the amount of \$1.5 million as security to the port against liens on the subject property or the Project improvements.

III. ACTION REQUESTED OF COMMISSION:

Authorization for CEO to execute letter to Greenbrier Rail Services through Consent.



350 CLOVER ISLAND DRIVE, SUITE 200, KENNEWICK WASHINGTON 99336 509-586-1186 WWW.PORTOFKENNEWICK.ORG

November 22, 2022

Mr. Todd Richardson
Greenbrier Rail Services
22819 19 E. Cochran Road
Kennewick, WA 99337

RE: *Greenbrier Construction Request*

Dear Mr. Richardson,

The Port of Kennewick (the "Port") is in receipt of a letter from Greenbrier Rail Services, dated September 14, 2022, requesting permission from the Port "to erect a semi-permanent fabric structure over existing rail track at our facility" described further therein as:

Fabric structure will be approximately 174' wide x 350' long (nominal 60,900 sf) with a maximum height of 45'. Structure will be located over existing track and shown on the attached conceptual layout. The work will also include removal of one (1) existing building and an existing crane structure located in the footprint of the proposed structure as shown on the attached aerial view of the site (a close-up view of the structures to be removed is also attached for your information). Fabric structure will consist of arched steel frames supported by foundations designed for the specific site conditions. Fabric will be installed and attached to the steel frames as shown on the attached isometric view. All plans will be designed by a professional engineer licensed in the State of Washington and submitted to Benton County Building Officials for approval and permitting. On completion, record drawings and inspection reports will be submitted to you for your files.

Appended hereto as Attachment A is the aforementioned letter and corresponding attachments that detail the requested improvements (the "Project").

As you are aware, Section 8 of the 1993 Lease (including all amendments) (the "Lease") between Greenbrier and the Port requires Greenbrier to seek permission in writing from the Port for the construction of any improvements exceeding the value of fifteen thousand dollars (\$15,000.00). Permission to construct the Project has been granted by the Port Commissioners subject to the following terms and conditions:

Mr. Todd Richardson
November 22, 2022
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1. Greenbrier shall obtain all required permits and comply with all Federal, State and local regulations and requirements relevant to the Project.
2. Greenbrier shall provide permit approval and inspection logs to the Port demonstrating that the improvements were accepted by Benton County and the Washington State Department of Labor & Industry.
3. Greenbrier shall provide final as-built drawings and site plans along with 3+ photos of the finished Project for Port files.
4. Greenbrier shall obtain permission from the Port for the construction of any improvements falling outside of the scope of the Project generally described in Attachment A.
5. Removal of any improvements related to the Project at the conclusion of the Term of the Lease shall proceed subject to Section 8 of the Lease.
6. Pursuant to Section 8 of the Lease, Greenbrier shall secure a performance bond in the amount of one million five hundred thousand dollars (\$1,5000,000.00), which shall secure the Port against liens on the subject property or the Project improvements.
7. Greenbrier shall comply with all other requirements of the Lease.

We look forward to watching your business continue to thrive and are excited to see how this new Project will continue to provide an economic boost to our local community. Should you have any further questions regarding the Port's approval of your request, please do not hesitate to contact me.

Sincerely,

Tim Arntzen
Port of Kennewick
Chief Executive Officer

PORT OF KENNEWICK REGULAR COMMISSION MEETING

SEPTEMBER 27, 2022 MINUTES

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

PRESENTATIONS

A. Horse Heaven Hills Wind Farm

Commissioner Novakovich introduced Margaret Hue.

Ms. Hue presented information on the proposed 24-mile wind farm on Horse Heaven Hills.

NEW BUSINESS

A. Greenbrier Lease

Ms. Hanchette stated Greenbrier Rail, a Port tenant located at the Twin Tracks industrial park, submitted a proposal to build a thermal membrane tent on their leased property. Ms. Hanchette presented the proposal and inquired if the Commission would like staff to move forward with Greenbrier Rail's request.

It is the Consensus of the Commission for staff to move forward with Greenbrier Rail's proposal to construct a tent structure at the Twin Tracks Industrial Park.

REPORTS, COMMENTS AND DISCUSSION ITEMS

A. CEO Evaluation Update

Mr. Kooiker and the CEO Evaluation Committee met this morning and anticipate bringing a draft for Commission approval in November, to meet the December 15th deadline.

B. 1135 Update

Ms. Bader Inglima stated TDX, the original contractor for the 1135 restoration project has begun staging on the island in preparation of additional work due to the erosion from the wet spring. Ms. Bader Inglima anticipates the work will be completed by the end of October and stated the Port plans to hold a celebration in the spring.

Commissioner Novakovich stated for the record, Ms. Bader Inglima has been working on this project since 2008 and thanked her for her perseverance.

C. Oak Street Purchase and Sale Agreement Update

Ms. Hanchette reported the Port received a letter of intent to purchase the property located at 1526 East 3rd Avenue.

D. Vista Field Update

Ms. Hanchette has been giving site tours of Vista Field to realtors, bankers, builders and community members. Ms. Hanchette and Mr. Peterson have been engaging in community outreach to educate the public on new urbanism and the mixed-use zoning.

ATTACHMENT A
(Project documents)

PROPOSED FABRIC STRUCTURE
INSTALLATION PROJECT

**GREENBRIER
(GBX) RAIL
SERVICES**

EXHIBIT A



TWIN TRACKS INDUSTRIAL PARK





Greenbrier Rail Services
228919 E. Cochran Rd
Kennewick, WA 99337
Office: (866)858-3967
Fax: (509) 585-0501

EXHIBIT A

September 14, 2022

Amber Hanchette
Director | Real Estate & Operations
Port of Kennewick

Re: Proposed Fabric Structure Installation Project
Greenbrier Rail Services
Finley, Washington

Ms. Hanchette:

Greenbrier Rail Services (GRS), an industry leader in the manufacture and repair of railcars, is currently leasing property located at 228919 Cochran RD Finley, Washington from the Port of Kennewick. Per the terms of the lease, we would like to request your permission to erect a semi-permanent fabric structure over existing rail track at our facility.

Fabric structure will be approximately 174' wide x 350' long (nominal 60,900 sf) with a maximum height of 45'. Structure will be located over existing track and shown on the attached conceptual layout. The work will also include removal of one (1) existing building and an existing crane structure located in the footprint of the proposed structure as shown on the attached aerial view of the site (a close-up view of the structures to be removed is also attached for your information). Fabric structure will consist of arched steel frames supported by foundations designed for the specific site conditions. Fabric will be installed and attached to the steel frames as shown on the attached isometric view. All plans will be designed by a professional engineer licensed in the State of Washington and submitted to Benton County Building Officials for approval and permitting. On completion, record drawings and inspection reports will be submitted to you for your files.

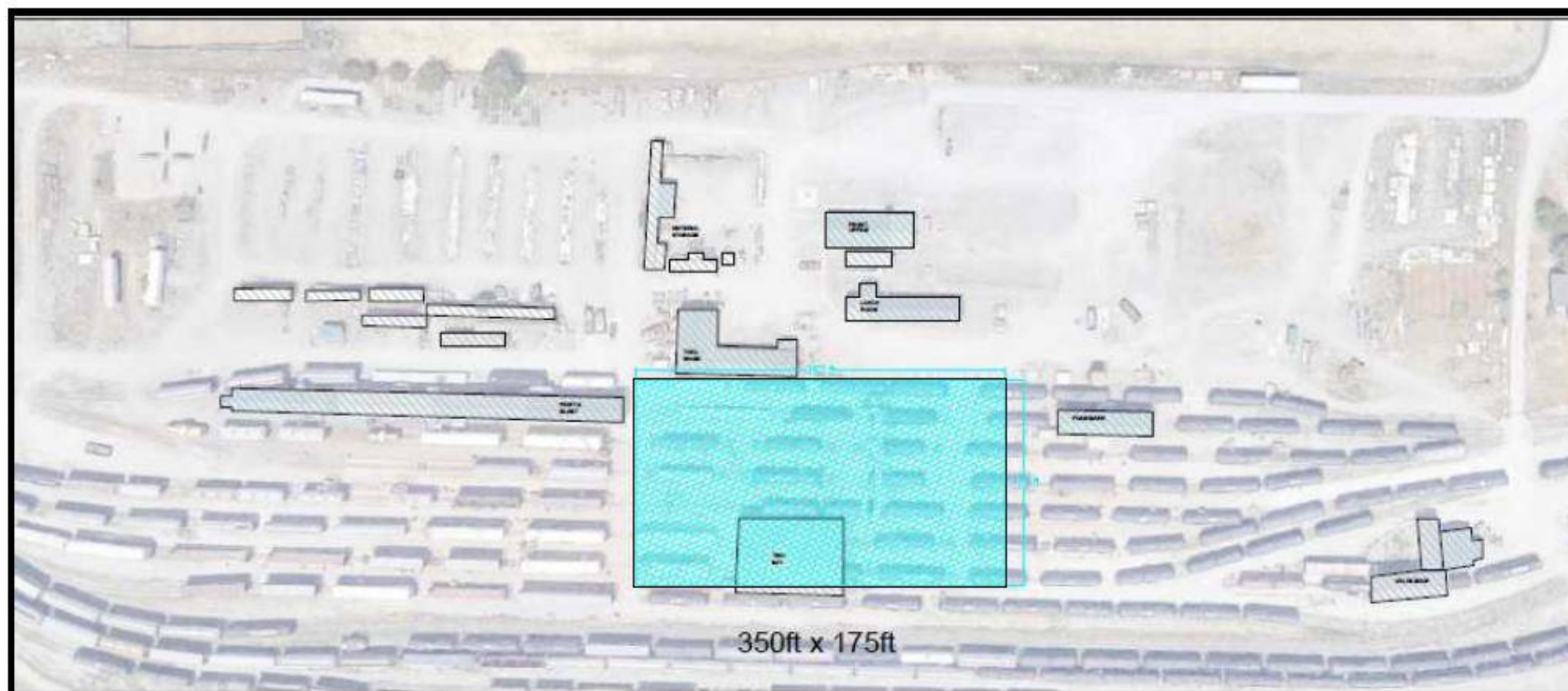
Our Construction Manager for this work is RFW Construction Group. Please contact me or our Construction Manager representative Ray Lowrance (ph: 731-445-5630, email: rlowrance@rfwgroup.com) for additional information or with any questions. We are available to meet or conference with you to discuss the project in detail.

We appreciate your consideration and look forward with your permission to move forward.

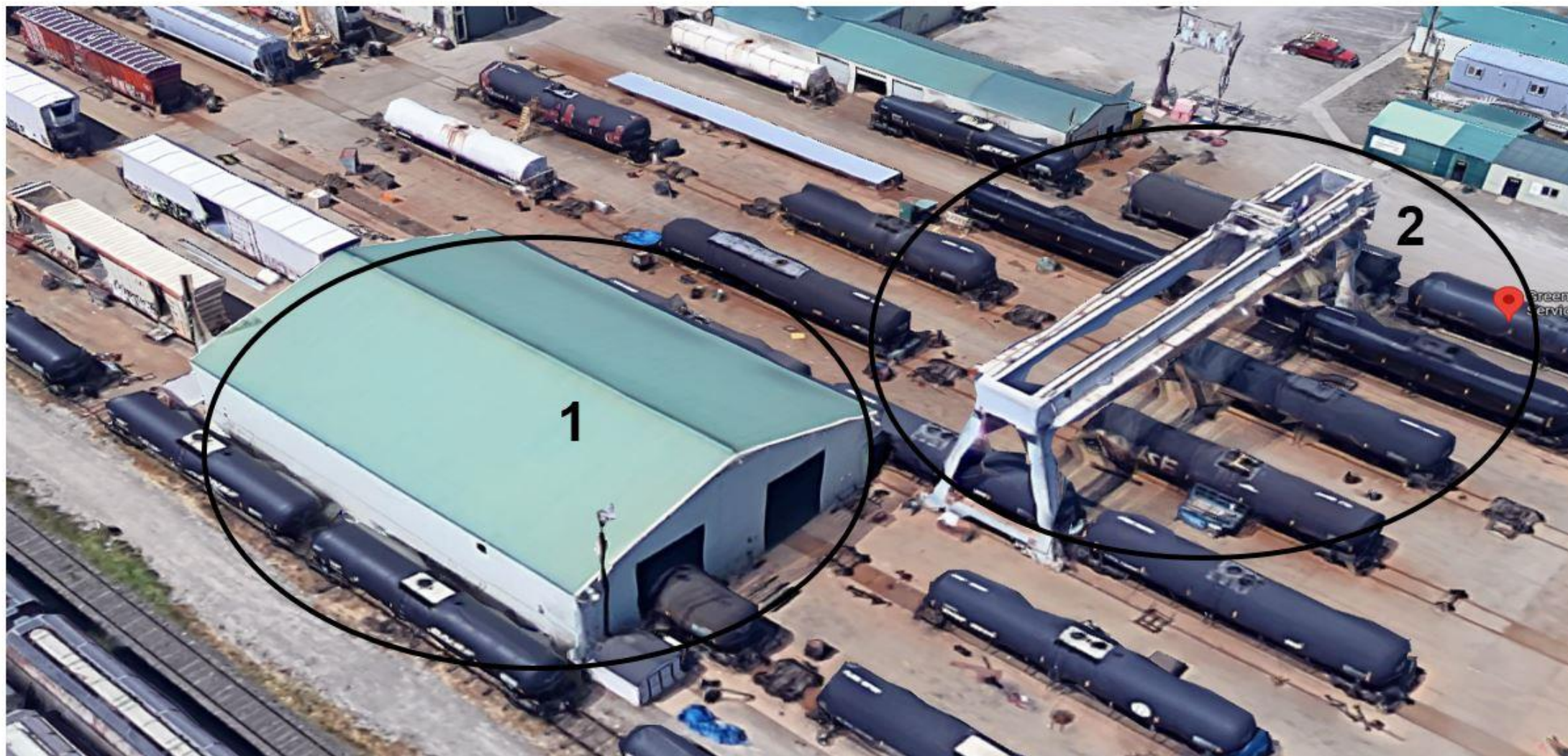
Sincerely,
Greenbrier Rail Services

Todd Richardson
Finley Plant Manager

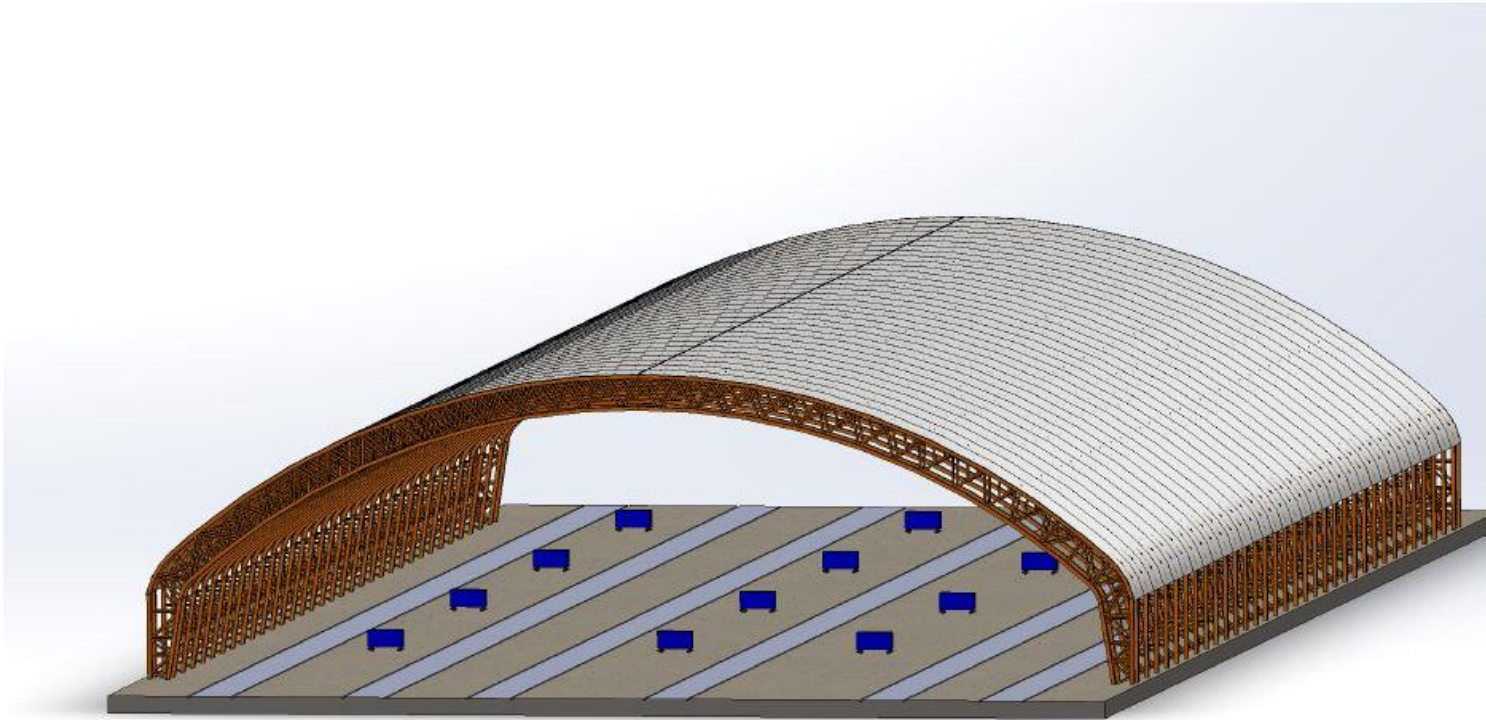
Finley Tent Project



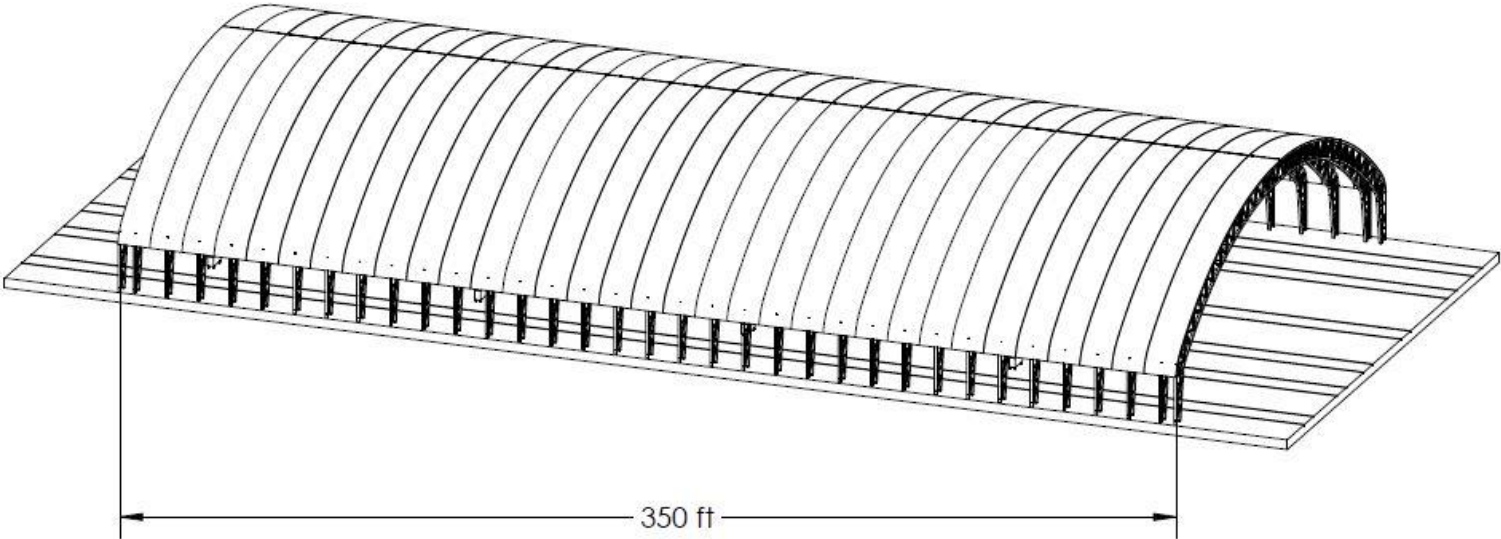
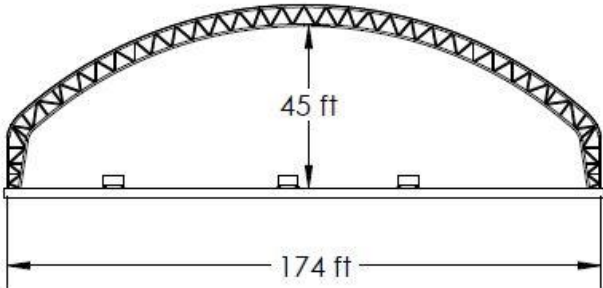




Finley Tent



<div>Dimensions in inches for tolerances not specified use the following table: FRAC 1/32 X .1 XX .01 XXX .001 XXXX .0005 ANG .5</div>		DWG. NO.	Shelter ASM	ASM Supplier	Big Top	Project	Finley Tent	Date	Friday, September 9, 2022 11:29:33 AM	
		View	3D Design	Contractor	RFW	General Mgr	Juan Maciel	Revision	A	
		Location	Finley, WA	Design Approval	Jeremy Dark	Plant Mgr.	Russell Richardson	Projection		Additional Notes
		Client	Finley Repair Shop	Designer	Jesus S. / Jesus L.	Page	1 OF 3			



<div>Dimensions in inches for tolerances not specified use the following table: PRAC 1/32 X .1 XX .01 XXX .001 XXX .0005 ANG .5</div>		DWG. NO.	Shelter ASM	ASM Supplier	Big Top	Project	Finley Tent	Date	Friday, September 9, 2022 11:29:33 AM
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2022 CEO ANNUAL PERFORMANCE REVIEW
CEO Evaluation Committee's Recommendation to Commission

IMPORTANT DUTIES/EXPECTATIONS	PERFORMANCE APPRAISAL		COMMISSIONER COMMENTS
	Met	Not Met	
<p>I. <u>Vision and Purpose</u></p> <p>A. Assists the Commission in defining its shared vision. Communicates that direction to the organization.</p> <p>B. Collaborates with the Commission to advance the Port's vision and purpose.</p> <p>C. Advocates the vision by strategic resource allocation toward attainment.</p>	X		<p>The CEO has steered the Port back to be mission-focused and achieving the best return for taxpayer dollars. Some examples include:</p> <ul style="list-style-type: none"> • Resolving the Governance Audit in a time and cost-efficient manner. • Overseeing an economical review and update of Commission Rules of Policy and Procedures • Preparing and sharing Port Priorities Briefing Memo for Commission discussion • Simplified and revised the art fund policy via Resolution 2022-24
<p>II. <u>Strategic Agility</u></p> <p>Is proactive; anticipates future trends, benefits and consequences; has broad knowledge and perspective; can objectively state possibilities and probabilities.</p>	X		<p>The CEO successfully undertook the following pro-active initiatives:</p> <ul style="list-style-type: none"> • Modified workplace protocols to address COVID 19 in a manner that preserved Port staff productivity and morale. • Led public meeting protocols to operate remotely to accommodate pandemic restrictions while also maintaining transparency between Commission and the public.
<p>III. <u>Operating Plans/Financial Plans</u></p> <p>A. Develops, maintains and implements strategic plans and operational goals that effectively brings the Port's vision to fruition.</p> <p>B. Administers the Port's financial affairs consistent with state law and adopted policies, budget and financial guidelines.</p>	X		<p>The CEO in partnership with Commission and Staff effectively keeps the Port's focus in alignment with Port's adopted Policies and Budget- no easy task.</p> <p>Completed the Laserfiche contract routing process, as well as a paperless review and digital document filing system to reduce costs and increase efficiency of the records management process</p>

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	Met	Not Met	
<p>IV. <u>Integrity</u> Sets the tone for the Port by exemplifying consistent values and high ethical awareness, honesty, and fairness.</p>	X		<p>The CEO operates with transparency, both internally with Staff and Commission and externally with the public.</p> <p>With CEO leadership, Port achieved clean Performance Audit results in 2019 and 2020.</p>
<p>V. <u>Political and Institutional Sensitivity</u></p> <p>A. Maneuvers through complex political and institutional situations effectively; anticipates potentially negative reactions, recommends and plans a course of action; views politics as a necessary part of organizational and public sector life and works to be effective within that reality. Unless otherwise not practical, obtains Commission concurrence prior to publicly stating position.</p> <p>B. Develops solutions to complex issues that challenge the Port's ability to recognize its vision and purpose. Demonstrates sensitivity to resource availability when developing solutions.</p>	X		<p>Proactively puts out sparks before they become fires.</p> <p>Researched and worked to understand implications to Clover Island, waterfront masterplan, and historic downtown redevelopment; and to receive greater community feedback related to Clover Island Inn purchase/lease options for the Fortify "micro" housing proposal. Advised Commission regarding that proposal—a process which took seven months and a tremendous amount of staff time and energy that went into shepherding that proposal to resolution; including reaffirming Clover Island land lease policy Resolution 2022-05.</p> <p>Coordinated public hearing and redistricting process using independent consultant to evaluate and propose Revised Commission District boundaries—legally required adjustments successfully completed with no complaints filed Resolution 2022-22.</p> <p>Managed property security /health/safety issues and police and agency incident reports regarding squatters, car crashes into lighthouse wall/streetlights, dock damage, boat sinking, oil/gas spills in marina, vandalism, graffiti, and restroom and other property damage.</p> <p>Managed transfer of Vista Field streets to city; established legal lots of record at Vista Field and recorded parcels with County; and recording of the Vista Field Covenants Conditions and Restrictions with Benton County.</p>

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<p>C. Leads the Port in building effective relationships with tenants, customers and community.</p>			<p>Worked with USACE on 1135 construction project for shoreline restoration and managed that project for the protection and benefit of the Port and its investment partners-- transitioned that project from A&E design to construction, to current mitigation of erosion of soil and plants.</p> <p>CEO has worked to sustain and strengthen significant partners:</p> <ul style="list-style-type: none"> o US Army Corps of Engineers: 1135 Project; toured Clover Island project (also discussed Duffy's Pond and port's adjacent land interests) with USACE Senior Policy Official and Walla Walla District Chief of Plan Formulation Section. o Washington State Recreation office: Toured with RCO ALEA grant manager and provided quarterly reports regarding Clover Island 1135 project. o City of Kennewick: Engaged in multiple and ongoing conversations with City of Kennewick manager regarding MOU for future RCCF funding/partnership projects. Resolved Deschutes Driveway/access via interlocal agreement with city and property owners Resolution 2021-22. Concluded Washington Street improvement ILA. Renewed Columbia Gardens "vibrancy" marketing arrangement with city; and recognized City investments at Vista Field and Columbia Gardens gala events. o Benton County: Recognized County's RCCF investments at Vista Field and Columbia Gardens gala events; managed RCCF grant for Clover Island and applied for RCCF for hangar project funds. o City of Richland: Coordinated Interlocal Agreement and financial support for City of Richland's Center Parkway Extension Project with ribbon cutting on 9/28/22. o Kennewick Police Department: Met with Chief Guerrero regarding port projects/KPD support in ensuring safety of
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			<p>port properties; discussed KPD support for Vista Field hangar project.</p> <ul style="list-style-type: none"> o TRIDEC: Coordinated with TRIDEC to strengthen involvement with Port marketing and promotion for Vista Field during RECON. o CTUIR: Met with Executive Director, Don Sampson and Chairwoman, Kat Brigham of the CTUIR regarding the port's projects and plans.
	Met	Not Met	
<p>VI. <u>Knowledge/ Decision Quality</u></p> <p>A. Knows how successful public ports work; knowledgeable in current and possible future practices, trends and information affecting port management, the port industry and our Port; knows the competition; is aware of how strategies and tactics work in the marketplace.</p> <p>B. Makes good decisions based on analysis, wisdom, experience and judgment; most solutions and suggestions turn out to be correct when judged over time.</p>	X		<p>Leads Port in strategic manner; knows what the Port is and is not.</p> <p>Managed marina at 100% capacity during peak season, coordinated fifteen boat haul-outs (average of three per month May through September); contracted for algae treatment.</p> <p>Researched and shared report investigating options for new maintenance facility location or lease including a Maintenance Facility Report by Energy Northwest</p> <p>Researched and provided port with option to state-mandated Long-term Care Act deductions.</p> <p>Transitioned IT services to new provider/upgraded technology to protect port systems.</p>
<p>VII. <u>Leadership/Management</u></p> <p>A. Demonstrates an entrepreneurial spirit by identifying ways to generate revenue, investment capital and maximizes the financial potential of existing port assets.</p>	X		<p>CEO managed expanded contract with Vibrancy Consultant for Columbia Gardens to work with food trucks and wineries which enabled coordination with Visit Tri-Cities to highlight the wine village during the TBEX travel blogger exchange, coordination of bus tours from the paddlewheel ships docking in Richland; and coordination of four "Summer Saturday Markets" generating substantial exposure and visitation for the wine & artisan village.</p>

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<p>B. Rallies support behind the vision and strategic plan; can inspire and motivate staff and community.</p> <p>C. Creates an environment where employees at all levels contribute their knowledge, skills, abilities and ideas in a way that maximizes their potential. Employee potential is not limited by divisional walls or job title. Appropriately delegates to others. Is a good judge of talent; hires the best people available inside or outside the organization.</p> <p>D. Creates a climate in which people want to do and can do their best; can motivate team or project members; empowers others; invites input and shares ownership and visibility. Makes each person feel his/her work is important.</p>			<p>Successfully negotiated Bruker lease amendment for VFDF building; protecting port interests while respecting the evolving needs of a long-standing tenant via Resolution 2021-21; resolved lease termination with Resolution 2022-12.</p> <p>Presented Port of Kennewick projects and plans to Tri-City Area Regional Chamber of Commerce during their Annual State of the Ports luncheon; and gave a port/city partnership presentation to Kennewick City Council.</p> <p>Recognized Don Britain as 2021 Friend of the Port.</p> <p>Oversight and management of marketing and promotions for the port and port projects including launching the VistaField.com website, television, print, digital and social ads for both Vista Field and Columbia Gardens parcels; prepared eight new artistic renderings to help people understand the Vista Field vision; developed marketing materials to promote The Willows, Cable Greens, and Oak Street sites for sale; and port summer newsletter distributed.</p> <p>CEO actively involves all of Staff in providing input on annual Budget development; allowing all to have ownership in the final product.</p> <p>Implemented the Vista Field Team, where Staff members wear multiple hats, gaining broad operational growth and experience.</p> <p>Evokes Staff loyalty to the Port, Managed the port as a highly productive, successful, fiscally-sound organization, including leadership of a team of 13 employees whose average employment is 12.4 years with the Port.</p>
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	Met	Not Met	
<p>VIII. <u>Initiative/Courage/Adaptability</u></p> <p>A. Self-starting ability. Promptly takes hold and follows through with minimum direction.</p> <p>B. Willingness to state opinions and reasons without concern about the popularity of the views. Forthrightness in dealing with Commission, customers, suppliers, and others in the organization.</p> <p>C. Ability to adjust to changing conditions or unusual assignments. Flexibility in undertaking a variety of assignments, acceptance of decisions which go counter to own opinion.</p>	X		<p>Completed Vista Hangar Analysis and budget for the Hangar Renovation Project. This mission originally had an unacceptable price tag. The CEO was able to present a lean budget to accomplish the Project on lean budget; and submitted an application for RCCF funds to support this Vista Field Southern Gateway and Hangar Renovation project.</p> <p>Managed successful resolution to the Kiwanis playground project proposed for Columbia Gardens; and oversaw conceptual design for Wayfinding Signage at Columbia Gardens, assisted with presentation to Commissioners.</p> <p>Identified funds/adjusted budget and moved that signage project through A&E design to prepare that project for bid in October.</p> <p>Managed process of releasing Cave B from their lease, marketed that space, and worked to secure Muret-Gaston as new tenant for Columbia Gardens.</p>
<p>IX. <u>Loyalty</u></p> <p>Understanding and accepting of goals and policies of the organization. Willingness to support organization and management.</p>	X		<p>Leads with a 360-degree strategic vision, to anticipate issues and formulate a positive path forward.</p> <p>Supports the success of the Commission by providing the required information and allowing the appropriate time frame for decision making.</p> <p>On critical issues, provides the Commission multiple sessions for introduction, discussion and or planning sessions before seeking Commission action. One example of this is the 2023-2024 Budget.</p>

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			<p>Regularly communicates commission direction and goals to management and staff so all elements of the Port stay aligned.</p> <p>Even when facing contentious decisions, remains loyal and committed to carry out the mission of the Port.</p> <p>Evokes staff loyalty to the Port and promotes a culture of positive teamwork.</p> <p>Manages contentious matters using visionary thought processes and creative solutions. One example is the budget for the Hanger Renovation Project, described above.</p>
	Met	Not Met	
<p>X. <u>Communications</u></p> <p>Effectiveness of exchanging significant information throughout all levels of the organization; with clients, vendors, and the public.</p>	X		<p>Provides excellent opportunities for regular communication with individual commissioners.</p> <p>Diligent in responding to requests for information from commissioners, staff and community.</p> <p>Keeps Port commissioners informed of relevant community issues and prepared to respond.</p> <p>Values transparency and executes significant public outreach.</p>

Additional Committee Comments:

The year 2022 was a very successful one for the Port of Kennewick, under the leadership of CEO Arntzen. In summary, the CEO has steered the Port back to be mission-focused and to achieving the best return for taxpayer dollars. The CEO in partnership with Commission and staff effectively keeps the Port's focus in alignment with Port's adopted Policies and Budget- no easy task. CEO Tim Arntzen leads with a 360-degree strategic vision, to anticipate issues and formulate a positive path forward. He manages contentious matters using visionary thought processes and creative solutions. CEO Tim Arntzen operates with transparency, both internally with Staff and Commission and externally with the public.

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Therefore, based on all the above reasons, the CEO Evaluation Committee recommends to the Commission for approval a performance rating of “Exceptional” in accordance with the CEO contract.

In addition, the Committee recommends a one-time salary adjustment of +9%, based on the unusually high inflation and cost of living increase we currently are experiencing. Future CEO evaluations, including 2024, should revert back to the terms of the CEO contract unless exceptional circumstances exist at that time as well, as determined by the CEO Evaluation Committee at that time.