



**PORT of
KENNEWICK**

PORT OF KENNEWICK REGULAR COMMISSION MEETING

OCTOBER 13, 2026 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 Vice President Skip Novakovich called the Regular Commission Meeting to order at 2:00 p.m.

ANNOUNCEMENTS AND ROLL CALL

The following were present:

Board Members: *District 1 Position Vacant, President*
Skip Novakovich, Vice President
Raul Contreras Gonzalez, Secretary

Staff Members: Tim Arntzen, Chief Executive Officer
Nick Kooiker, CFO/Deputy Chief Executive Officer
Amber Hanchette, Director of Real Estate
Michael Boehnke, Director of Operations
Rochelle Olson, Director of Governmental Relations
Tammy Fine Story, Advisor/CPA, CFE
Bridgette Scott, Executive Assistant (via telephone)
Lisa Schumacher, Special Projects Coordinator
David Phongsas, Marketing/Capital Projects Coordinator (via telephone)
Carolyn Lake, Port Counsel (via telephone)

PLEDGE OF ALLEGIANCE

Commissioner Contreras Gonzalez led the Pledge of Allegiance.

PUBLIC COMMENT

No comments were made.

CONSENT AGENDA

- A. *Approval of Direct Deposit and E-Payments Dated October 2, 2026***
Direct Deposit and E-Payments totaling \$109,009.21
- B. *Approval of Warrant Register Dated September 24, 2026***
Expense Fund Voucher Number 108309 through 108312 for a grand total of \$22,515.00
- C. *Approval of Warrant Register Dated October 13, 2026***
Expense Fund Voucher Number 108313 through 108369 for a grand total of \$134,537.46
- D. *Approval of Regular Commission Meeting Minutes September 22, 2026***

MOTION: *Commissioner Contreras Gonzalez moved to approve the Consent Agenda; Commissioner Novakovich seconded. With no further discussion, motion carried unanimously. All in favor 2:0.*

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PRESENTATIONS

A. *WPPA Environmental Seminar*

Mr. Arntzen, Ms. Lake, and Commissioner Novakovich reported on their presentation at the Washington Public Ports Association Environmental Seminar regarding how the Port handled PFAS at Vista Field.

B. *Vista Field BlueChart Meeting*

Ms. Hanchette reported on the recent team meeting with BlueChart and DPZ, to discuss residential housing at Vista Field.

C. *2027-2028 Draft Budget Workshop*

Mr. Kooiker presented the 2027-2028 Draft Budget (*Exhibit A*).

The Commission and staff discussed the details of the draft 2027-2028 Budget.

REPORTS, COMMENTS AND DISCUSSION ITEMS

A. *Commissioner Appointment Update*

Commissioner Novakovich stated the deadline application process for the District 1 Commission seat vacancy is now closed. The following are applicants who are registered voters and live in Port District 1, as confirmed by the Benton County Elections Division:

- Matt Boehnke, Don Britain, Barry Bush, Van Cummings, Nicholas Haberling, James Hempstead, Marie Mosley, Robert (Rob) Welch

Ms. Lake stated the Commissioners will independently review the candidates' applications and outlined the remaining process:

1. October 27, 2026: Commission action to select applicants for interviews;
2. November 4, 2026: Special Public Meeting at 5:00 p.m. at Tri-Cities Business and Visitor Center Board Room;
 - In addition to answering questions, each applicant interviewed will be asked to speak for up to three minutes about the value they would bring to the Commission;
 - This Special Public Meeting will also include a comment period after the interviews and applicants' remarks are concluded;
 - Commissioners may choose to discuss the qualifications of the applicants at the Special Public Meeting.
3. November 10, 2026: Appointment of Commissioner, District 1. The appointed Commissioner will then serve in that capacity until certification of the 2027 election.

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B. CEO Report

Mr. Arntzen reported on the following:

- The City of Kennewick and Kennewick Fire Department submitted a letter of support for the passenger boat. Mr. Arntzen continues to work with TRIDEC on funding;
- *The Tri-Cities Journal of Business* featured an update on the passenger boat;
- Commissioner Novakovich, Ms. Olson, and Mr. Arntzen will attend the HIITEM'WAQ'IISWIT "Dance for Life" Powwow in Lewiston, Idaho;
- Tri Ports met last week, which now includes the Port of Walla Walla.

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

Commissioners reported on their respective committee meetings.

D. Non-Scheduled Items

Mr. Kooiker stated the Port received a HAIEF Grant for the Vista Field Pavilion Parking Lot Project was for \$325,000.00, which covers the A&E, and the Rural County Capital Funding will cover the construction.

Ms. Olson reported that last week, the Tri City River Shore Enhancement Council held a field tour for the new USACE Walla Walla District Commander, Lt. Colonel Doug Dresch. Part of the tour included a stop at Clover Island and a Lighthouse inspection, to discuss the incredible partnership between the Port, USACE, the CTUIR, Benton County and the City of Kennewick.

Mr. Arntzen stated it is nice to see Cal Coie in the audience today.

Ms. Scott reminded Commissioner Novakovich to discuss the Benton Franklin Council of Governments Board Meeting.

Commissioner Novakovich stated that since he will be attending the powwow in Lewiston, Commissioner Contreras Gonzalez will be attending the Benton Franklin Council of Governments Board Meeting in his place. Commissioner Novakovich apprised Commissioner Contreras Gonzalez of some of the action items.

Commissioner Novakovich would like to schedule a meeting with Fred Hill from the CTUIR to discuss the Tri-Cities Powwow on November 6, 2026.

Commissioner Novakovich stated before his passing, CTUIR Elder Les Minthorn and I discussed writing a publication on friendship. Commissioner Novakovich found an author from Prineville, Oregon who is interested in our story.

Mr. Arntzen commented on the data center issue and stated the Port does not have property large enough or electricity available for a data center.

No further comments.

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PUBLIC COMMENT

No comments were made.

ADJOURNMENT

With no further business to bring before the Board; the meeting was adjourned at 3:19 p.m.

APPROVED:

**PORT of KENNEWICK
BOARD of COMMISSIONERS**

District 1 Position, Vacant

President

DocuSigned by:

Skip Novakovich

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Skip Novakovich, Vice President

Signed by:



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Raul Contreras Gonzalez, Secretary

PORT *of* KENNEWICK

2027/28 Budget Managing Resources & Accountability

October 13, 2026

Nick Kooiker, CFO/Auditor

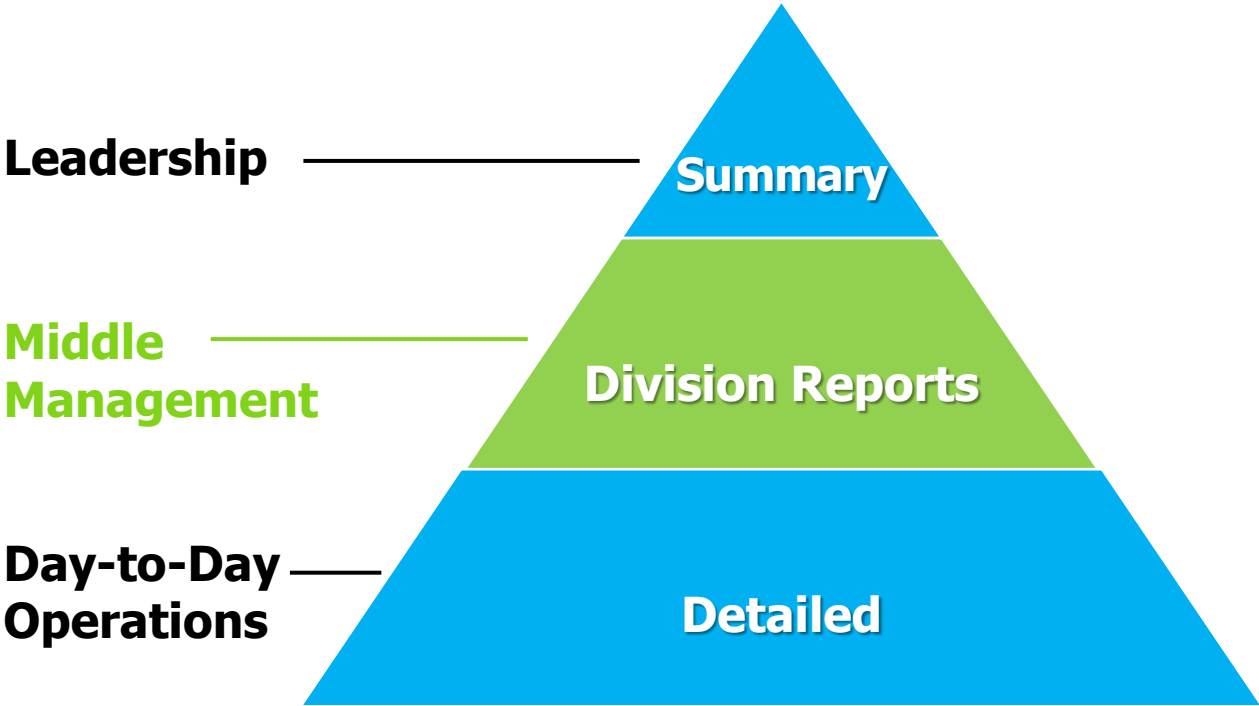




GFOA
(Government Finance Officers Association)

Reporting Pyramid

Reporting Pyramid





Economic Data

EXHIBIT A



National

Level



State

Level



Local

Level

Unemployment: National ~ State ~ Local

4.1%

National
Unemployment Rate

4.3% in 2025

5.2%

State
Unemployment Rate

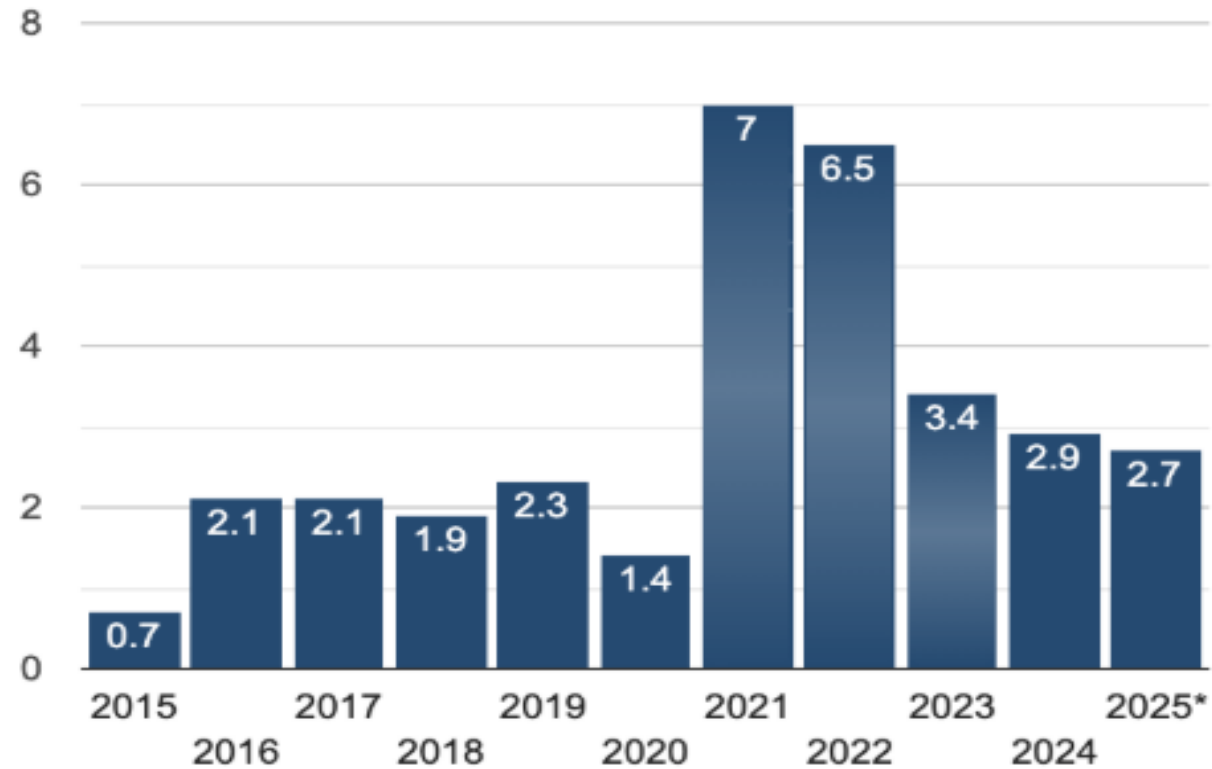
4.5% in 2025

4.2%

Benton County
Unemployment Rate

4.7% in 2025

Chart: United States Annual Inflation Rates (2015 to 2025)



Inflation Stabilizing

- **Approximately \$11M in cash**
- **Port owes just over \$2.8M on the Vista Field loan**
- **Operating revenues are approximately 3.5% higher than benchmark**
- **Operating expenses are approximately 18% under benchmark**
- **Port's net position is approximately \$67M**
- **The 2026 levy rate is ¢.20/thousand, compared to ¢.44 in 2001**

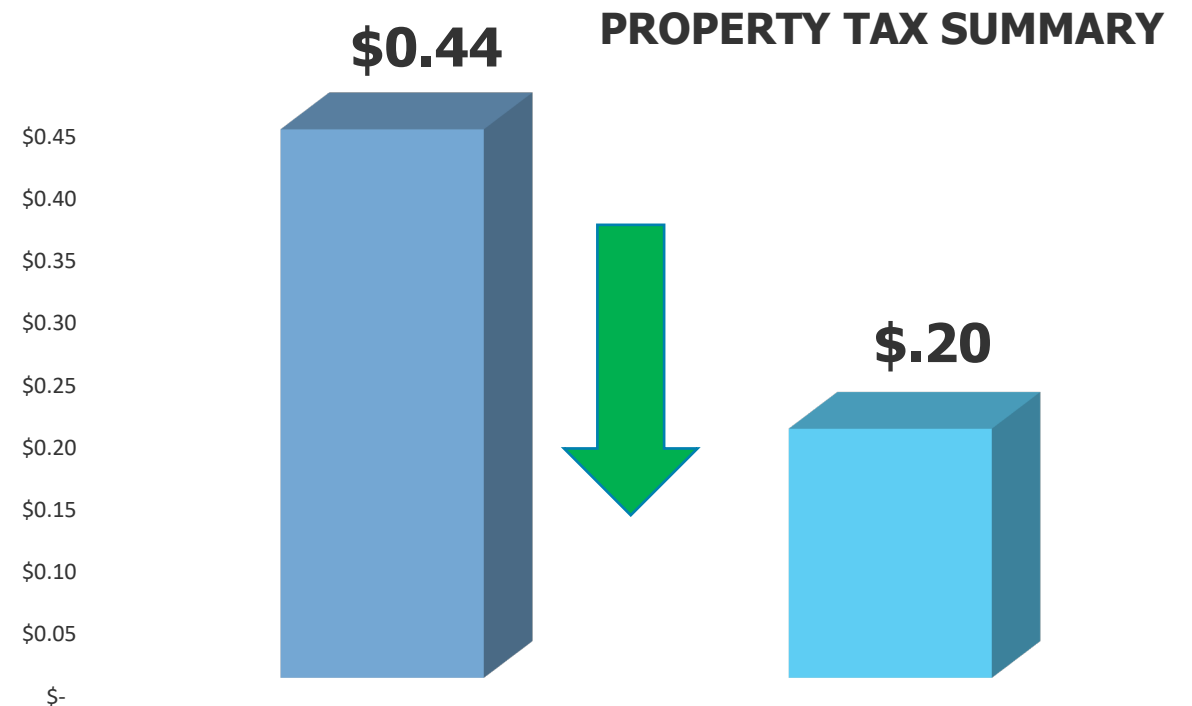


Port's Current Financial Position



Property Tax Summary 2001 vs 2026

**Property Tax *Levy Rate* per
thousand has fallen to *only* \$0.20
in 2026!**



- **Reducing costs and enhancing revenues when feasible while maintaining acceptable service levels**
- **Promoting fiscal responsibility among departments**
- **Acknowledging the Port's limited staff and financial resources**
- **Provide the public with high-quality projects and services within a healthy work environment by encouraging efficiency**
- **\$2.5M reserve fund**
 - **Environmental Pollution Claims against the Port**



Budget Philosophy

Resolution 2018-27

Budget Assumptions



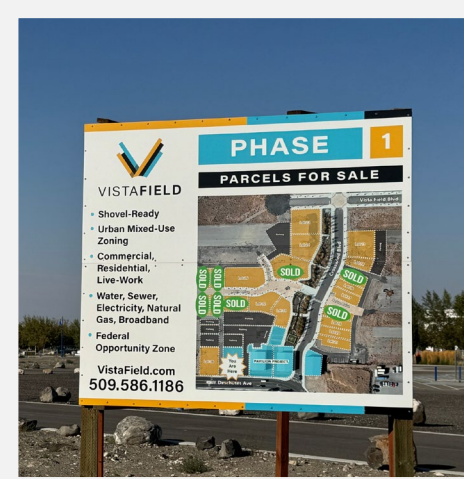
Fund Balance

Forecasting fund balance on 12/31/26 to be approximately \$10M



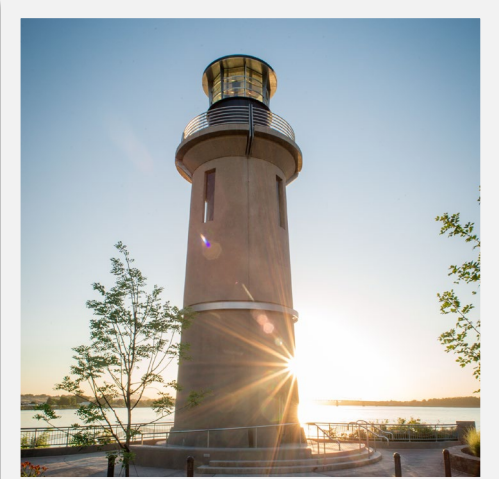
Inflation

This budget is conservative, allowing for increased expenses



RCCF

Capital Budget relies heavily on land sales and RCCF funding



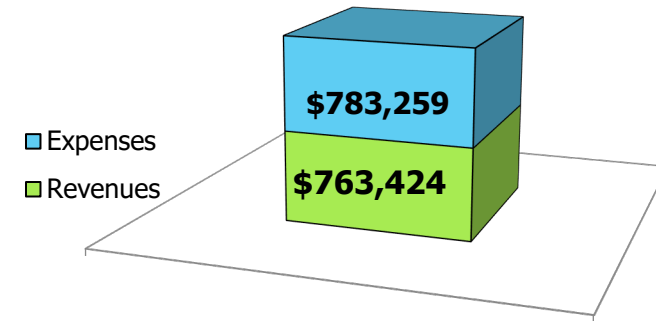
Maintaining Port Investments

Budget reflects funding to maintain current service levels while adding funds to handle new Vista Field capital projects



Responsible for operations and management of marina, haul outs and boat storage.

EXHIBIT A



- The marina is nearly 100% occupied, so recommending a minimum 5% per year increase in rates to help offset capital Marina improvements.
- Expenses include increase in Marina liability insurance, security patrols and milfoil treatment costs.
- Most expenses are indexed to a 5% inflation factor, an actual contract amount or estimated by department manager.
- Expenses do not include direct staffing cost.

Marine Division

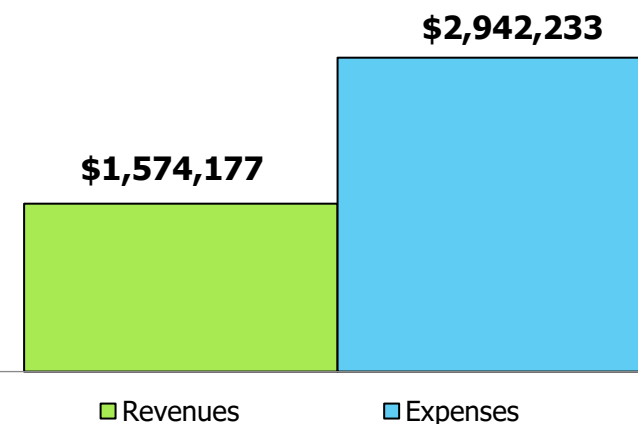
Revenue & Expenses



Property Management Division

Revenue & Expenses

Responsible for management, operations and maintenance of various Port assets (mainly Port buildings). [EXHIBIT A](#)



- Revenues are based upon leases in place through 2028, and leases that are “highly likely” to renew.
- Expenses include increase in utility expenses, extra Vista Field grounds maintenance, necessary repairs to Port properties, additional pavilions maintenance, and extra security patrols.
- Most expenses are indexed to a 5% inflation factor, an actual contract amount or estimated by department manager.
- Expenses do not include direct staffing cost.



Corporate Division

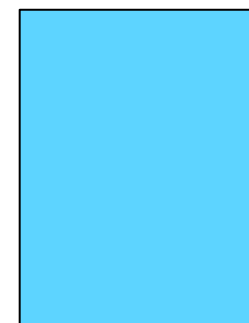
Revenue & Expenses

Other divisions are supported by the corporate division, some examples include: Board of Commissioners, Legal, Accounting & Finance, IT and Contract Administration.

EXHIBIT A

Corporate Cost

\$478,396



- Expenses include increase in liability insurance, Port business advertising, phones, printers, office supplies, janitorial, and automobile expenses.
- Most expenses are indexed to a 5% inflation factor, an actual contract amount or estimated by department manager.
- Expenses do not include direct staffing cost.

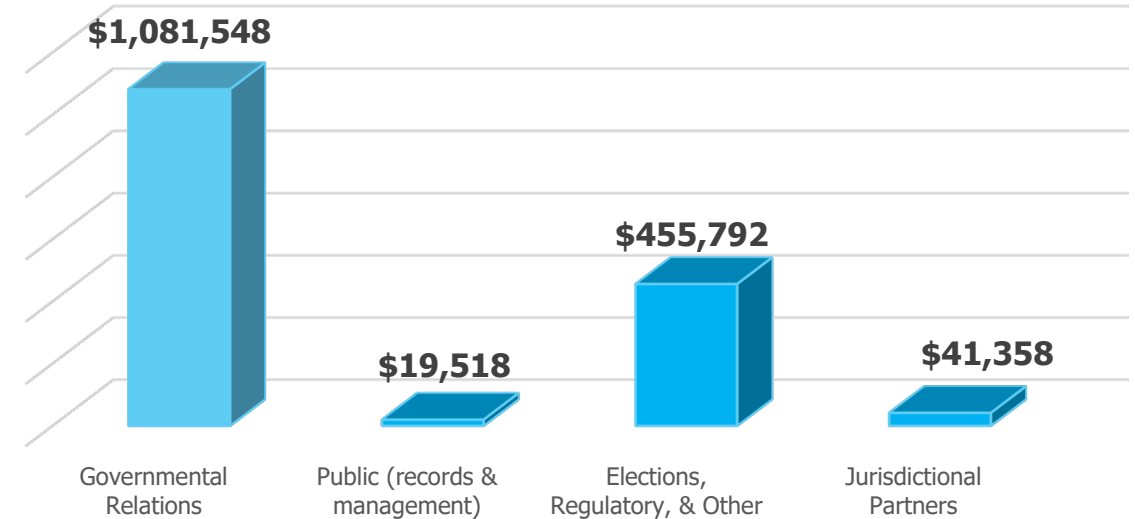


Non-Operating Division

Expenses

This division includes various items that don't affect Port operations. This can include items such as: Election costs, third party audit expenses, marketing expenses, public records management and membership dues. EXHIBIT A

Non-Operating Expenses



- Many expenses are tied to a contract or membership dues such as TRIDEC, WPPA, Visit Tri-Cities, etc.
- Expenses include increased budget for 2027 election and SAO annual audits.
- Governmental relations cost include ADA compliance, promoting the Port and Port properties, graphics and creative designs, marketing and newsletter materials, vibrancy events including partnership with the City of Kennewick.
- Expenses do not include direct staffing cost.

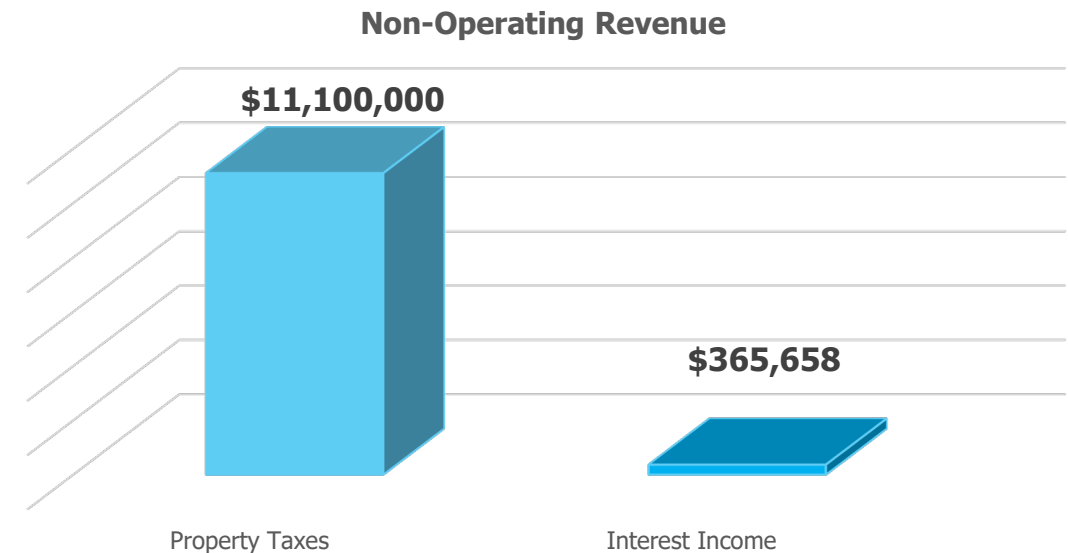


Non-Operating Division

Revenues

This division includes revenues classified as non-operating revenue by Governmental Accounting Standards Board (GASB). This includes items such as: Property Taxes and Interest Income.

EXHIBIT A



- Property tax revenues are budgeted at \$11.1 million, which is an estimated \$60,000 in new tax revenue per year.
- Interest income is estimated just under \$366 thousand.
- Non-operation revenues also includes land sales covered in Real Estate Division and grant funding covered in Economic Development Division since it is tied to capital projects.

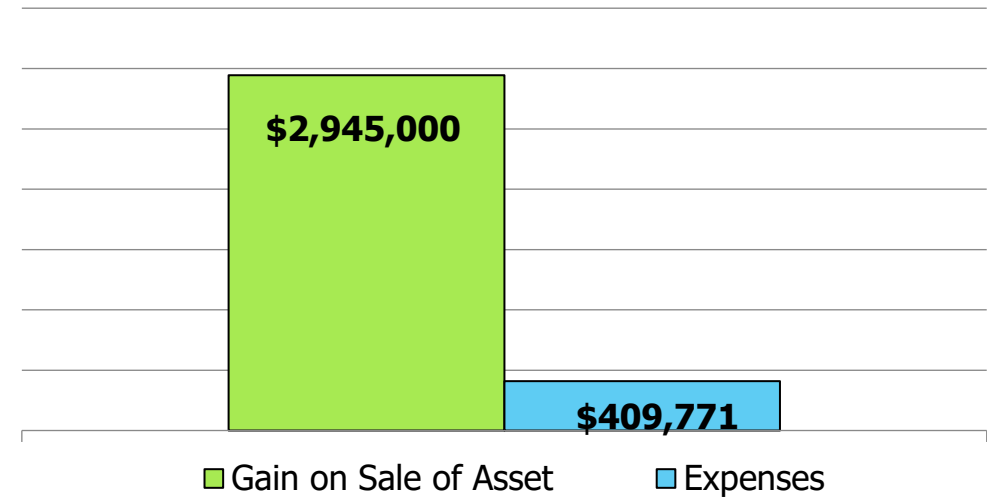


Real Estate Division

Revenue & Expenses

This division manages the process of buying or selling property in support of the Port's overall business plans.

EXHIBIT A



- **Vista Field redevelopment has unlocked massive land sale opportunities with several land sales pending and underway. The gain on the Vista Field land sales is estimated just under \$3 million.**
- **Expenses are primarily cost for marketing and selling Vista Field properties.**
- **Expenses do not include direct staffing cost.**

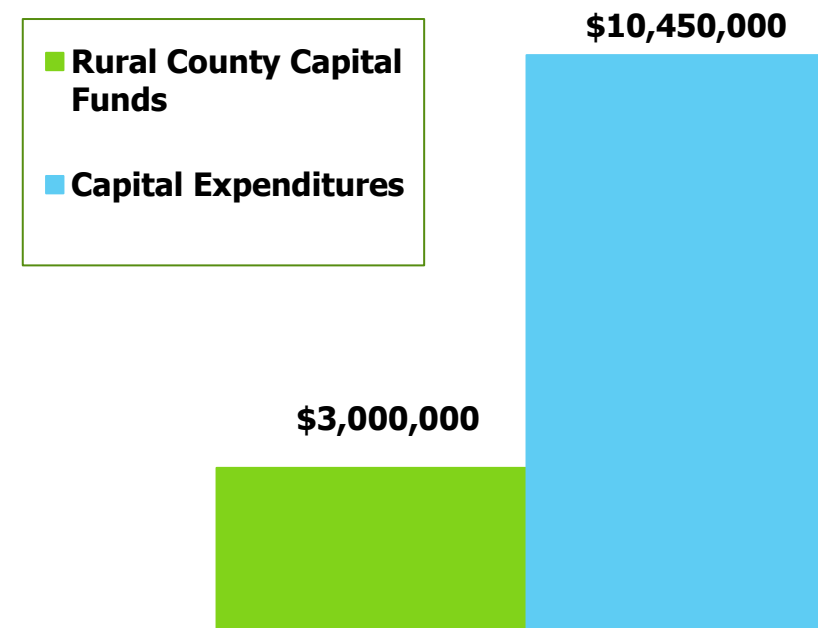


Economic Development Division

Revenue & Expenses

EXHIBIT A

This division supports all the Port's capital assets to be planned or constructed.



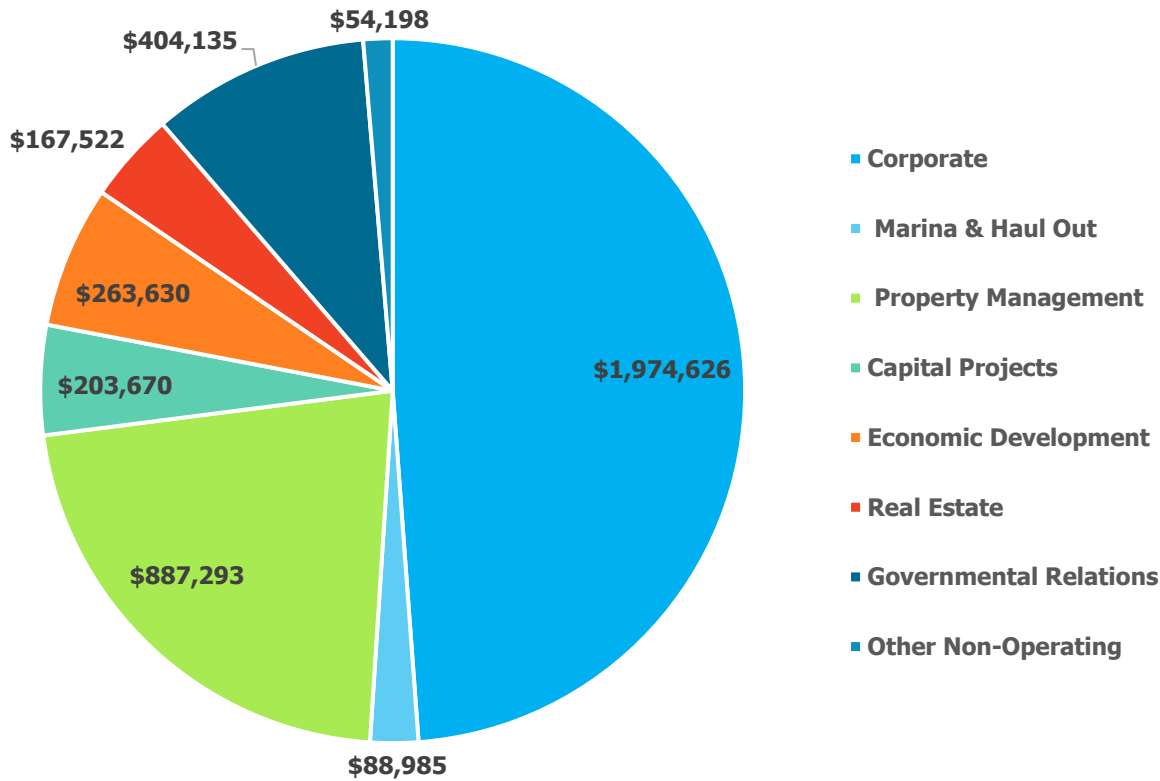
- Revenues include \$3 million RCCF for Vista Field Infrastructure.
- Expenses do not include direct staffing cost.



Staffing Cost Allocation

EXHIBIT A

Estimated annual staffing cost is based on direct time spent in each division or capital project.



Staffing cost above is based on estimated annual cost and subject to change based on actual time spent in each division or capital project. Cost includes salaries, mandatory PERS contributions, mandatory taxes (state and federal), medical benefits, and VEBA contributions.

Capital Projects

2027-2028 Capital Projects				
PROJECT COST	Location	Funding Source	Existing Commitment	TOTAL 27/28
Infrastructure West Construction & Amenities (BlueChart Block #1)	Vista Field	Land Sale	Committed 2025/2026	\$ 2,500,000
Joint-Use Parking Lots- VF Pavilions Azure Drive & Utilities (\$2.1 m budget w/ \$1.9m left - estimated \$250k spent in 2026)	Vista Field	RCCF	RCCF/HAEIF Committed 2025/2026	\$ 1,650,000
Joint-Use Parking Lot - Constellation Way (Lot 23- 25)	Vista Field	Land Sale	Committed 2025/2026	\$ 2,000,000
Joint-Use Parking - City of Kennewick Entertainment District Lot E	Vista Field	Land Sale	Committed in 2026	\$ 1,000,000
Infrastructure West Construction -Vista Field Blvd & Roosevelt St.	Vista Field	RCCF	RCCF Candidate	\$ 2,000,000
VF Town Architect	Vista Field	Port Operations		\$ 300,000
Marina Repairs	Marina	Port Operations		\$ 350,000
Benton County Partner Project	Misc.	Port Operations		\$ 150,000
Opportunity Fund	Misc.	Port Operations		\$ 100,000
Asset Replacement	Misc.	Port Operations		\$ 400,000
TOTAL				\$ 10,450,000

2027/28 Preliminary Budget

	2027 & 2028 BUDGET
Total Revenues	\$ 19,748,259
Total Expenses (less capital and promotional hosting)	\$ 13,914,869
<i>Profit (Loss)</i>	<i>\$ 5,833,390</i>
Capital Expenses	\$ 10,854,966
Promotional Hosting Expenses	\$ 24,190
Beginning Cash on Hand	\$ 10,247,156
Bond Principal Payments	\$ 900,000
Reserve Fund	\$ 2,500,000
Unrestricted Fund Balance	\$ 1,801,390
<i>Ending Cash on Hand</i>	<i>\$ 4,301,390</i>

Thank You

Nick Kooiker, CFO/Auditor
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