



REGULAR COMMISSION MEETING

PORT OF KENNEWICK

FEBRUARY 22, 2011 MINUTES

CALL TO ORDER

Commission President Skip Novakovich called the Commission meeting to order at 2:00 p.m. in the Port of Kennewick Commission Chambers located at 350 Clover Island Drive, Suite 200, Kennewick, Washington 99336.

The following were present:

Board Members: Skip Novakovich, President
David Hanson, Vice-President
Gene Wagner, Secretary

Staff Members: Tim Arntzen, Executive Director
Tana Bader Inglima, Director of Governmental Relations & Marketing
Larry Peterson, Director of Planning & Development
Tammy Fine, Director of Finance/Auditor
Teresa Hancock, Real Estate Analyst & Project Specialist
Michael Boehnke, Maintenance Supervisor
Bridgette Scott, Secretary/Special Projects
Steve M. Lowe, Acting Port Counsel

PLEDGE OF ALLEGIANCE

Jeff Kossow, City of Kennewick, led the Pledge of Allegiance.

PUBLIC COMMENTS

No public comments were made.

CONSENT AGENDA

The consent agenda consisted of the following:

- A. Approval of Direct Deposits and Warrant Registers Dated February 15, 2011**
Direct Deposit totaling \$18,593.22 and Expense Fund Voucher Numbers 31594 through 31596 totaling \$3,405.85; for a grand total of \$21,999.07.
- B. Approval of Warrant Registers Dated February 23, 2011**
Expense Fund Voucher Numbers 31597 through 31645 totaling \$61,627.12.
Construction Fund Voucher Numbers 3147 through 3150 totaling \$25,439.07.
- C. Approval of Commission Meeting Minutes Dated February 8, 2011**
- D. Authorizing Amendments to the Port's Policy Manuals; Resolution 2011-03**

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



REGULAR COMMISSION MEETING

PORT OF KENNEWICK

FEBRUARY 22, 2011

PRESENTATIONS

Bridge to Bridge, Greg McCormick, City of Kennewick

Mr. McCormick, Planning Director, stated the City's Planning Commission reviewed the draft Bridge to Bridge plan on December 6, 2010 and forwarded their recommendations to the City Council on January 25, 2011. After the January meeting, staff from the City of Kennewick and Port of Kennewick met to discuss a plan to move forward and will create a work plan for adoption. The work plan should be finalized in a couple weeks and will be presented to Tim Arntzen and Marie Mosley for approval.

NEW BUSINESS

A. Adoption of 2011 Vista Field Master Plan, Spencer Montgomery of J-U-B Engineers, Inc.

Mr. Novakovich introduced Spencer Montgomery from JUB Engineers. Mr. Montgomery briefly reviewed the changes made to the Capital Improvement Plan (CIP).

Short-Term

Year 1: Identifies Master Plan preparation, WSDOT grant application for pavement, relocating fencing, a comprehensive utility plan and \$165,000 for infrastructure improvements. Hangars, taxi-lane development and infrastructure related to the land sales, rehabilitation of the existing FBO and fence improvements by Kellogg are listed in the "Unfunded or Partners" column.

Year 2: Three optional projects: Additional rehabilitation of the FBO, webcam and weather station.

Years 3-5: Pavement, design of FBO, land acquisition and the update of the Master Plan.

Intermediate Term

The Apron/Tie-down area and the Utilities to Apron/FBO were moved to the "Unfunded or Partners" column.

Long Term

No additional changes were made to the plan.

JUB Engineers has incorporated comments from staff and the Vista Field Advisory Board (VFAB). The boundary line adjustments were added last fall after approval of the Comprehensive Plan Amendments. The City of Kennewick submitted some comments primarily related to the Comprehensive Plan and zoning. Comments received from WSDOT are incorporated on Long-Term Aviation Transportation System plan (LATS), Traffic Pattern Map, Through the Fence operations, Airport Layout Plan data and Compatible Land Use. These comments can also be considered for future planning.



REGULAR COMMISSION MEETING

PORT OF KENNEWICK

FEBRUARY 22, 2011

MASTER PLAN PUBLIC COMMENTS

Mr. Don Clayhold asked what does “optional projects” mean? Will the project be cancelled or moved to the next year?

Mr. Montgomery replied it is implied the project would move to the next year. The CIP provides optional flexibility, but does not cancel the project.

Mr. Matt Taylor, Tri-City Herald, inquired why the weather station is listed in Year 2 if it is as critical to aviation as weather stations typically are.

Mr. Montgomery replied it is not included in Year 1 primarily due to funding. The airport is eligible for a certain amount of WSDOT grant funding, and the Port has limited committed resources. In Year 1, the maintenance of the pavement is a priority, as it has been postponed for a while due to the uncertainty of the airport’s future. The funds in Year 1 are being used to improve existing assets.

Mr. Novakovich thanked Mr. Montgomery and JUB Engineers for their work on the Master Plan. He commented the VFAB included members representing diverse interests. The VFAB met several times and worked hard to provide recommendations to the Commission. Mr. Novakovich thanked the VFAB and the public for their involvement.

The Commission has not received any negative comments on the Master Plan. Clerk’s Note: An email was received on February 22, 2011, but the Clerk was unaware of it until after the meeting. (Exhibit 1)

MOTION: *Commission Wagner moved approval of Resolution 2011-04, authorizing adoption of the 2011 Vista Field Airport Master Plan, incorporating said Plan into the Port’s Comprehensive Scheme of Development, and further authorize the Port’s Executive Director to take all action necessary to implement the plan; Commissioner Hanson seconded. With no further discussion motion carried unanimously. All in favor 3:0.*

B. Request for Proposals for re-Branding

Ms. Bader Inglima stated the 2011 Budget includes funding for the re-branding project. The Port of Kennewick was established in 1915 as a five acre district, and may not currently adequately represent the entire district. Ms. Bader Inglima is developing a Request for Proposals (RFP) to select a company for brand assessment. The assessment will see how our taxpayers and citizens perceive the Port; will help the Port understand what is distinctive about our organization; help determine whose perception is important to us; and how the Port communicates with stakeholders. The “Port of Kennewick” brand may or may not be adequate. Ms. Bader Inglima suggests a brand development team include one representative from each of the Port’s jurisdictions, with the Port President presiding over the committee. The assessment will allow us to help everyone understand what is important to our jurisdictional partners, as well as what is important to communicate about the Port itself. The RFP will be publicized in a few weeks. The contract will be in effect by June and the project should be completed no later than November. The cost will not exceed \$30,000 and



REGULAR COMMISSION MEETING

PORT OF KENNEWICK

FEBRUARY 22, 2011

is within the Executive Director's Delegation of Authority. The RFP was reviewed by Steve Lowe and Tammy Fine and they agree it is consistent with the Port's policies and procedures and adequately outlines expectations. The Commission agrees each jurisdiction should select a representative.

C. Port Commission Rules of Policy and Procedure; Resolution 2011-05

Mr. Arntzen prepared the Port Commission Rules of Policy & Procedure with assistance from staff and Foster Pepper PLLC, a widely respected legal firm specializing in municipal government issues. The document addresses the specific roles, expectations of conduct, knowledge, disclosures, prohibitions, legal requirements, and accountability of the elected officials who are responsible for the current operation and future direction of the Port of Kennewick. The document has been posted on the Port's website for public review and comment and is ready for adoption. No comments were received from the public.

The Port of Kennewick insists upon open and honest government, and operates in transparency. This document incorporates some of the policies adopted by other entities and ports. This document tries to be proactive and creates a framework for the rules to be in practice. Having a good comprehensive set of rules can help prevent a problem, as opposed to cleaning up a mess afterward. This document takes our pledge of open and accountable government to the next level. Mr. Arntzen feels the public would look favorably on the document. It is a very serious matter when elected to office. The faith of the voters in a port district puts you in charge of spending public funds and running a public agency. In return, the pledge from the Commission should be to hold the public's business in public, and in and on the terms in which the public can see and participate. This document eliminates special interests in favor of the public, taxpayers, voters and the media.

The following are a few of the items the document addresses:

- The purpose of the document is to foster public transparency and public accountability concerning the Port and the transaction of its business.
- Commissioners are prohibited from entering into any activity which presents a conflict of interest and avoid areas of an appearance of a conflict of interest.
- Commissioners shall not participate in any discussion or debate concerning an issue where a Commissioner has a private interest, and will not vote on the matter or do anything to influence the vote of any other Commissioner.
- On or before April 15th each Commissioner will file a copy of the Statement of Financial Affairs, the State's PDC form, with the Port office.
- Commissioners will make all decisions on the basis of public policy and demonstrate undivided loyalty to the interest of the port and its taxpayers. This loyalty will supersede any conflicting loyalty to any advocacy or special interest groups.
- Commissioners will not meet as a quorum outside of the Commissioner's Public Meetings.
- Commissioners will respect the confidentiality of appropriate issues including personnel issues, real estate transactions and proprietary matters, attorney/client privilege matters.
- Includes a Citizens Compliant Policy.



REGULAR COMMISSION MEETING

PORT OF KENNEWICK

FEBRUARY 22, 2011

The policy also talks about routine issues such as the roles of the Commissioners, Executive Director, staff members, Port Attorney and the Port Auditor; and the methods for interfacing.

Mr. Novakovich commented he had requested a copy of the Port's policies and procedures when he was elected, and discovered the document was outdated. Mr. Novakovich conferred with port districts and local entities regarding their policies and brought them to port staff to put together. Mr. Novakovich asked if any public comments were received on the draft document. Mr. Arntzen and staff did not receive any comments.

Mr. Novakovich stated Don Clayhold visited with him yesterday on several items.

First, Item 3.14.4, on page 6 reads "A Commissioner shall not receive reimbursement for expenses, per diem, or other Port payment for activities (e.g., travel, meals and other costs) when the Commissioner is engaged in or participating for both the Port and another Entity." Mr. Novakovich stated if he is working for Esprit and happens to go to a meeting in Tacoma and the Port is paying for the travel, it would not be right for him to also call on potential clients and bill the Port for it. This policy does not prohibit someone from receiving payment from another entity if they have another job; it is requesting a Commissioner does not get paid twice from two different entities for the same job.

Mr. Hanson stated he is under contract with Benton PUD as well. In the past, he has been in Olympia representing the PUD on day one and two, and the Port on day three. Mr. Hanson tried to split the mileage to be as fair as possible.

As an example, Mr. Arntzen commented, if Commissioner Novakovich went to Tacoma for Esprit, the Port will tell you, with all due respect, that the Port will not pay for travel expenses. We feel this is the way to protect the Port Commission. If a commissioner is there for dual purpose, the second entity will have to pay the expenses. If you go for a single purpose, the Port will pay for expenses. This provides a certain level of clarity whether or not a commissioner will be reimbursed for travel expenses. This is an issue of solve it now or go back through records if, and when, any questions are raised. Mr. Arntzen feels this item is in the nature of preventative medicine. If anyone suffers financial impact it would be the individual Commissioner opposed to the taxpayer. The policy was meant to be very aggressive in protecting public resources.

Second, Item 6.14, on page reads "All Commission discussion shall be governed by Robert's Rules of Order, Newly Revised." Mr. Clayhold suggested the word "governed" be changed to "guided". The Commission is in agreement to change the word to "guided".

Third, Item 7.6 on page 11, regarding the consent agenda, reads "Items placed on the consent agenda may be moved to the business agenda upon a motion passed by the Commissioner during a Commission Meeting and prior to the vote to approve the consent agenda." In the past, the Commission required a majority vote, two votes, to remove any



REGULAR COMMISSION MEETING

PORT OF KENNEWICK

FEBRUARY 22, 2011

item from the Consent Agenda. Every jurisdiction handles this differently and Robert's Rules of Order does not address this directly. The legal opinion received is that the Commission can provide whatever protocol or mechanism it chooses for management of the agenda. No matter what the protocol is, two Commissioners can always change the agenda order process. Mr. Clayhold suggested including the definition of "Consent Agenda". "Consent Agenda" are usually matters that are not controversial and are of routine nature, that have been discussed before, or items that do not take much discussion at a meeting, which allows more time for discussion on moving the business of the Port forward. Information on each consent agenda item is distributed before the meeting. If a Commissioner has a question, they can go to the Executive Director for clarification. If a Commissioner still objects to an item after they have spoken to the Executive Director, they can come to the Commission Meeting and make a motion to have the item removed. If another Commissioner agrees, the item will be pulled and put down on the agenda for discussion.

Mr. Lowe commented Item 7.6, reads "...upon motion passed by the Commissioner..." Mr. Lowe suggested changing the word "Commissioner" to "Commission".

Mr. Arntzen stated staff's intent is to require 2/3's vote to remove an item from the consent agenda. He agrees with Mr. Lowe's suggestion and feels this was a typographical error.

Motion: Commissioner Hanson moved approval of Resolution 2011-05, adopting the Port Commission Rules of Policy & Procedure as may be amended; Commissioner Wagner seconded.

Mr. Hanson suggested Item 3.5 be changed from "Campaign Finance" to "Statement of Financial Affairs". Mr. Hanson is concerned if staff is in a position to handle the financial disclosures. Mr. Arntzen stated staff would handle the request as a Public Records Request. The Commission is in consensus with the title change.

Mr. Wagner stated the more open and available records are, the better off we will be. If people vote you into an office, and you are in control of how the money is spent, you have to be able to look them in the eye and say "I think I am doing what is best and what I think is legal." Mr. Wagner supports and is comfortable with the document.

Mr. Novakovich thanked staff for working on this document and Don Clayhold for sharing his comments.

With no further discussion motion carried unanimously. All in favor 3:0.

REPORTS COMMENTS AND DISCUSSION ITEMS

A. Divestiture of Port Owned Rail

Mr. Arntzen reviewed the 10 Year Railroad Revenues vs. Expenses Analysis. The railroad is not a good investment. Everything goes along well for a while, until an emergency repair call is received. Mr. Arntzen is hoping the Commission will give staff guidance on whether or not the Port should divest the rail lines. We can sell the lines to the end users or to a short



REGULAR COMMISSION MEETING

PORT OF KENNEWICK

FEBRUARY 22, 2011

line railroad. A federal provision requires the purchaser to ensure the operation of the rail. Mr. Arntzen believes divesting would benefit the taxpayers.

Mr. Novakovich commented the Port lost about \$10,000 per year for the last 15 years. Mr. Arntzen stated the potential for liability is great. If the line cannot be fixed and a major supply is blocked, the damages the company would seek from the Port could be tremendous.

Mr. Novakovich inquired about the value of the rail. Mr. Arntzen feels the value gained from the sale is how much money it would save the taxpayer and making sure the service is provided to the end users. Mr. Wagner feels divesting should be investigated. Mr. Wagner stated the value we gain from the sale is that the Port does not have the loss potential.

Mr. Hanson asked if the Port is mandated to provide transportation. Mr. Arntzen stated we could guarantee continued access and asked, "Do we do transportation things regardless of the cash flow received?" If the Port's portfolio is filled with losses, we will not have money to pursue other improvements. One of the best investments the Port has made is the marina; it brings in approximately \$250,000 per year. We need to look at our budget and try to minimize the things that cost money and maximize the things that make money. The Commission gave consensus for staff to explore divesting the rail.

B. Clover Island

1. West Causeway Improvements.

Mr. Peterson commented Section B in the Tri-City Herald had a picture of the project. The decking and railing will be installed in the next two weeks. The turbidity curtain will be removed by end of February. The dive team is concerned about removing the 1,100 foot curtain due to the wind and potential damage it could cause to the shoreline. Ms. Bader Inglima stated representatives from the Confederated Tribes of the Umatilla Indian Reservation came to view the shoreline project. They may participate in the dedication event and were very impressed with shoreline and habitat improvements.

2. Lighthouse Lenses.

Mr. Arntzen stated many public comments have been received about the light in the lighthouse. Many have described the light as "underwhelming." Mr. Arntzen has found several solutions ranging in price. Mr. Arntzen commented he could contact the people who wrote Letters to the Editor regarding the light and ask them to review the options. Mr. Arntzen asked the Commission if they would like him to continue investigating options. He stated it could cost \$2,500 to replace the light with a larger light. When the Port was applying to build the lighthouse, the City of Kennewick Council wanted it built to "dark sky" requirements. Mr. Arntzen feels the Council may now be in agreement with installing a larger light. A historic replica lighthouse lense could be built for \$25,000. If the public is interested, a fundraising campaign could help raise funds. Mr. Novakovich will check with the community to see if there is local or national support. Mr. Wagner will help Mr. Arntzen form a committee

The Commission is in consensus to have Mr. Arntzen investigate the historic lenses.



REGULAR COMMISSION MEETING

PORT OF KENNEWICK

FEBRUARY 22, 2011

C. Vista Field

1. Vista Field Fixed Base Operator Request for Proposals.

Mr. Arntzen has been reviewing the 2005 RFP and is creating a new RFP for a small business to be the Fixed Base Operator at Vista Field. He will continue working on the draft document and will bring it to the Commission for review. Mr. Arntzen suggested the FBO operator could do some of the things staff is currently handling; i.e.: fuel system, mowing, spraying weeds, etc. It would save staff time. Mr. Novakovich feels it would be good to have someone at Vista Field taking care of the airport. A possibility would be a public-private partnership for the FBO building. It is the consensus of the VFAB to have a new FBO building. The CIP lists the construction of a new building after five years. Mr. Arntzen feels there may be someone with the desire to build a private FBO building and would like to explore this possibility. Mr. Novakovich commented the VFAB wants the airport to fit in with the Entertainment District. They want a destination airport for general aviation pilots. Mr. Novakovich also commented that although the CIP lists items in certain years, if an opportunity arises, the project could be moved up when funding becomes available.

2. 2011 State Aviation Grant Request.

Mr. Arntzen asked Ms. Fine and Ms. Bader Inglima to investigate HAEFIC grants. HAEFIC funds are depleted for 2011 and a grant will not be available to the Port. HAEFIC grants are tied to how many jobs are created and the FBO building may not meet the criteria. There is a requirement of one created job for every \$30,000 in grant funds.

Mr. Arntzen stated now that the Master Plan is adopted, we could pursue a pavement grant. Due to the recent reduction of staff, if staff pursues the grant, we would have to put another project on hold. The state aviation grant applications are due in March or April. Mr. Novakovich asked how much staff time would be needed if JUB Engineers were to complete the application. Mr. Montgomery is not sure. The Commission feels it is necessary to work with a company to pursue the grant. The Port will use the RFP process to select a company to help with the grant application to resurface the pavement. Mr. Hanson stated the pavement is deteriorating and feels this is a high-priority.

D. 2011 Commission Organization Representation

Mr. Arntzen added a couple more committees to the organization chart. Commissioner Wagner will attend quarterly meetings with Kennewick General Hospital and the City of Kennewick and Commissioner Novakovich will attend Bridge to Bridge meetings as needed.

MOTION: *Commissioner Wagner moved approval of the Commission Organization Representation chart as revised and presented today; Commissioner Hanson seconded. With no further discussion motion carried unanimously. All in favor 3:0.*



REGULAR COMMISSION MEETING

PORT OF KENNEWICK

FEBRUARY 22, 2011

E. Bridge to Bridge Memorandum of Understanding (MOU)

Mr. Arntzen is drafting a Memorandum of Understanding between the Port and City and will present it to the City Manger for review. They are working towards a joint project that can be presented to the City Council with a unified voice. The MOU will incorporate additional public outreach to talk about the Bridge to Bridge project. As the project progresses, Ms. Mosley and Mr. Arntzen will make themselves available to the Tri-City Herald Editorial Board.

F. Appointment of Acting Executive Director

Mr. Arntzen will appoint Ms. Bader Inglima to act as Executive Director during his scheduled vacation in March.

G. 2008-2009 Audit Update

Ms. Fine reported auditors are finishing our audit. This year will mark our 15th consecutive year with no findings. There were three minor exit notes which have been addressed and policies have been amended to reflect the changes. An Exit Conference will be scheduled.

H. Non-Scheduled Items

Mr. Wagner commented at the last meeting Mr. Boehnke reported a cost savings repair to the rail line. Mr. Wagner presented Mr. Boehnke a "Gandy Dancer" award. A "Gandy Dancer" is a railroad term referring to people working on the railroad.

PUBLIC COMMENTS

Mr. Mark Blotz, Clover Island Inn, stated it is crucial to have up-lighting for lighthouse.

Mr. Stan Jones, Arculus, strongly recommends the Port contact the Coast Guard for direction. He stated if it is an aid to navigation it will be included on Coast Guard charts. Mr. Jones suggested hiring a service disabled veteran to be the Vista Field Fixed Based Operator, this would also help with public relations.

Mr. Matt Taylor, Tri-City Herald, stated if up-lighting is too high and bright it may cause concerns with the FAA.

Ms. Marjy Leggett, volunteer for Vista Field, commented the Vista Field CIP, lists the Apron / Tie-down area in years 3-5. She is concerned about the 2013 Air Race because tie-downs will be needed for the race. Mr. Novakovich commented staff is aware of the issue and appreciates the reminder.

No further public comments were made.

Mr. Novakovich recessed the meeting at 3:48 p.m. for approximately 5 minutes.

Ms. Bader Inglima asked the public if they would return for the results of the Executive Session. The public will not return.



REGULAR COMMISSION MEETING

PORT OF KENNEWICK

FEBRUARY 22, 2011

Reconvened into Executive Session: 3:56 p.m.

Mr. Novakovich called for an Executive Session at 3:56 p.m. to last approximately 60 minutes, with no action expected.

EXECUTIVE SESSION

- A. Personnel Complaint: RCW 42.30.110(1)(f)
- B. Potential Litigation: RCW 42.30.110(1)(i)

Mr. Lowe exited the chambers at 4:54 p.m. to extend Executive Session 10 minutes.

Executive Session adjourned at 4:59 p.m. with no action taken: The regular meeting reconvened at 4:59 p.m.

ADJOURNMENT

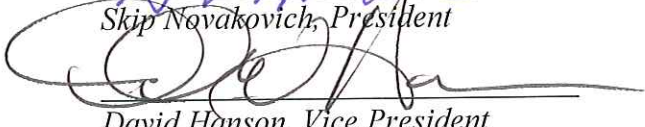
With no further business to bring before the Board; the meeting was adjourned at 5:00 p.m.

APPROVED:

PORT of KENNEWICK

BOARD of COMMISSIONERS


Skip Novakovich, President


David Hanson, Vice President


Gene Wagner, Secretary

Bridgette Scott

From: Tim Arntzen
Sent: Tuesday, February 22, 2011 1:14 PM
To: Larry Peterson; Bridgette Scott; Skip Novakovich
Subject: FW: Vista Field

-----Original Message-----

From: Jooseph Judy [<mailto:jandbharrington@gmail.com>]
Sent: Tuesday, February 22, 2011 6:51 AM
To: Tim Arntzen
Subject: Vista Field

Vista Field should be closed and not a penny of tax dollars should go to any further improvements. It is ludicrous putting money in such an operation that is right in the middle of a maze of businesses with residential areas not that far distant. There are little economic benefits to having such a small airfield and one serious accident will prove that the location has long outlived whatever purpose it ever had. The Port is just catering to a few wealthy individuals who are too lazy to drive the short distance over to the Richland or Pasco airports. This will be a major issue when Port Commissioners who approve such folly come up for reelection.

Joseph Judy
West Richland
205-0983

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https://support.onlymyemail.com/view/report_spam/Nzk1NzE6MTI0MTg4OTQxODp0YUBwb3J0b2ZrZW5uZXdpY2sub3JnOmRibGI2ZXJIZA