

This version incorporates the following:

Original Document	7/1/82
Amendment #1	9/9/87
Amendment #2	5/21/96
Amendment #3	1/20/98

JOINT AIR TERMINAL OPERATIONS AGREEMENT

This Agreement is entered into this 30th day of June, 1982, by and between the City of Yakima, Washington, hereinafter referred to as "the City" and the County of Yakima, Washington, hereinafter referred to as "the County."

Witnesseth:

Whereas, the City currently owns and operates the Yakima Air Terminal - McAllister Field, legally described in Exhibit "A" attached hereto and incorporated by reference as though fully set forth herein; and

Whereas, the County and the City deem it to be in the best interests of both parties and in the best interests of the citizens of their respective municipalities that the Yakima Air Terminal - McAllister Field be owned and operated jointly by the parties through a duly constituted Board as authorized by RCW Chapter 14.08;

Now, Therefore, in consideration of the mutual benefit to accrue to the parties and the citizens of their respective municipalities, the parties agree as follows:

1. Commencing on the 1st day of July, 1982, the real and personal property now owned by the City and constituting the Yakima Air Terminal - McAllister Field, its real property, appurtenances thereto and personal property shall be owned by the City and the County as tenants in common with an undivided one-half interest vested in each party and shall be known henceforth as the "Yakima Air Terminal - McAllister Field" (hereinafter "Air Terminal"). Said Air Terminal shall be operated jointly by the City and the County in accordance with the provisions of RCW Chapter 14.08 and the provisions of this agreement by and through the Air Terminal Board (hereinafter "Board") as further provided herein. Pursuant to this Agreement, the City shall make appropriate conveyance and transfer to the County of an undivided one-half interest in fee simple in and to the real property, and all improvements and appurtenances thereto, constituting the Air Terminal under the authority of RCW 14.08.310 and RCW 39.33.010.

The City shall retain ownership of the fire station house until such time as the City determines that the station is no longer required by the City for general fire protection purposes, at which time an undivided one-half interest therein will be conveyed to and accepted by the County as a tenant in common with the City, and the fire station shall be operated thereafter by the Board. During the City's interim ownership, the City shall receive free use of the underlying real property and will pay no rental therefor. The City shall give notice to the County and the Board at least six (6) months in advance of the transfer of the fire station to the County and the resumption of its operation by the Board.

In consideration of this mutual agreement, the City does hereby convey and grant to Yakima County an undivided one-half interest in all assets and all personal property, known or unknown, located on or used in connection with the operation of the Air Terminal (described in part in Exhibit "B" attached hereto and incorporated by reference as though fully set forth herein), and to include contract rights, leases, choses in action, and FAA funds.

2. Commencing on the 1st day of July, 1982, all powers, rights and authority held by the parties relating to the ownership and operation of airports and related facilities shall be exercised by the Board. Such Board shall exercise, on behalf of the parties hereto, all the powers of each of the parties granted by RCW 14.08, including but not limited to acquiring property for, establishing, constructing, enlarging, improving, maintaining, equipping, operating and regulating the airport and other air navigation facilities and airport protection privileges to be jointly acquired, controlled and operated, together with all powers incidental thereto or necessary for performance thereof and not inconsistent with RCW 14.08 and this Agreement as presently constituted or subsequently modified.

3. Yakima Air Terminal - McAllister Field Board

A) Organization

i) Members

Membership of the Board shall consist of five individuals, two appointed by the City, two by the County, and one to be selected by those four appointees subject to approval by the City and County. Upon initial appointment, one County and one City appointee shall each serve a two-year term, and one County and one City appointee shall each serve a four-year term. The fifth member chosen by mutual agreement will serve a three-year term. Thereafter, each member on re-appointment or upon appointment of a new member shall hold office for four years or until his/her death, resignation, removal or expiration or term of office, whichever occurs earlier. A person appointed to replace a Board member will serve out the term of the member replaced.

Members will serve without compensation, but shall be entitled to reimbursement for necessary and reasonable expenses actually incurred in the performance of their duties as members of the Board.

Members, officers and agents of the Board shall conduct themselves in accordance with Chapter 42.23 of the Revised Code of Washington, Code of Ethics for Municipal Officers.

Both governing bodies of the City and County shall annually designate of their members as an ex-officio member of the Board. The duties of the ex-officio members shall be to meet with and advise the Board at all regular and special meetings of the Board; provided, however, the ex-officio members shall assist in an advisory capacity only and shall have no vote on the Board.

ii) Bonding

The Board shall obtain and maintain in effect during the term of this agreement, fidelity bonding in the amount of five hundred thousand dollars (\$500,000.00) for all Board members and all Air Terminal employees. The bond shall be conditioned upon the faithful discharge of duties as required by this Agreement and the laws of the State of Washington. Said bond will name the City and the County as co-insureds. The cost for obtaining said bond will be paid by the Air Terminal Board.

iii) Resignation and Vacancies

Any member may resign at any time by giving written notice to the entity that originally appointed him/her. The resignation shall take effect at the time specified herein or if no time is specified, upon delivery thereof and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make said notice effective.

iv) Vacancy

A vacancy in the Board shall be deemed to exist in the event of the death, resignation or removal of any member. Any vacancy shall be filled by the municipality making the original appointment, or in the case of a vacancy in the position filled by agreement between the parties, it will be filled by an individual recommended by the Board and agreeable to the parties hereto.

v) Removal

Any member may be removed at will by the municipality that appointed him/her, and the fifth member appointed by the Board may be removed at will by agreement between the City and County.

vi) Quorum and Manner of Action

At all meetings of the Board, a majority of members in office at the time shall be sufficient to constitute a quorum. Every act or decision done or made by the majority of the Board present at a meeting duly held, at which a quorum is present and acting, shall be regarded as the act of the Board. The employment or discharge of the Airport manager shall require the concurring votes of at least three Board Members at a meeting of the Board held pursuant to lawful notice.

B) Officers

The officers of the Board shall be a chairman, vice-chairman, a secretary and such subordinate officers as the Board may elect. Only members shall be qualified to hold the office of chairman or vice-chairman, but the board may elect any person, whether or not a member to hold the office of secretary or any subordinate office. Any two or more offices may be held by the same person, except the offices of chairman and secretary.

Each officer shall be elected by the Board and shall hold office until his/her successor shall have been elected and qualified, or until death, resignation or removal of such officer.

Members serving as officers shall serve a term of one year. Officers appointed by the Board who are not members shall serve such terms as are fixed by the Board.

Any officer may resign at any time by giving written notice to the chairman, secretary or Board. Any such resignation shall take effect at the time specified therein or if the time is not specified upon delivery thereof and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

i) Chairman

The Chairman shall be chief executive officer of the Board and shall preside at all meetings of the Board. The chairman alone, or in the event of the chairman's absence or disability, the Vice-Chairman, or in the event of the Vice-Chairman's absence or disability, the Temporary Chairman, may sign and execute in the name of the "Airport Board" leases, contracts and other instruments duly authorized by the Board, and generally shall perform all duties incident to the office of Chairman and such other duties as may from time to time be assigned to such office by the Board. Signature of the Chairman will not be sufficient to bind the Board unless said signature is first authorized by and on behalf of said Board at a meeting held pursuant to lawful notice with a quorum present, and unless the signature is attested to by signature of the Secretary.

ii) Vice-Chairman

At the request of the Chairman or in the event of the Chairman's absence or disability, the Vice-Chairman shall perform all duties of the chairman, and when so acting shall have all the powers of, and be subject to all restraints upon the Chairman. In addition, the Vice-Chairman shall perform such other duties as may from time to time be assigned to that office by the Board or Chairman.

iii) Secretary

The Secretary shall certify and keep at the office of the Board, or at such other place as the Board may order, the original or a copy of the Bylaws, as amended or otherwise altered; keep at the office of the Board, or at such other place as the Board may order, a book of minutes of all meetings of the members, recording therein the time and place of holding, whether regular or special, and, if special, how authorized, the notice thereof given, and the proceedings thereat; see that all notices are duly given in accordance with the provisions of the Bylaws or as required by law; be custodian of the records and seal of the Board; exhibit at all reasonable times to any members of the Board, upon application, the Bylaws and minutes of the proceedings of the members of the Board; attest to the official signatures of other officers of the Board, and, in general, perform all duties of the office of Secretary and such other duties as may from time to time be assigned to such office by the Board or the Chairman.

iv) Treasurer

The Yakima County Treasurer shall serve as Treasurer for the Airport unless the City and County jointly appoint a Treasurer. Prior to appointment, the jointly appointed Treasurer shall have had experience in financial or fiscal matters to the extent required by the City and County. The jointly appointed Treasurer shall possess all the powers, responsibilities, and duties the County Treasurer and auditor possess for joint operating agency related to creating and maintaining funds, issuing warrants, and investing surplus funds. In order to expend any funds, the signatures of both the jointly appointed Treasurer and the Airport Manager are required. In the absence of either the jointly appointed Treasurer or the Airport Manager, a Board member shall sign. The Treasurer shall not be a member of the Board.

v) Subordinate Officers

Subordinate officers shall perform such duties as shall be prescribed from time to time by the Board or the Chairman.

vi) Removal

Any officer may be removed at will by the vote of the majority or the Board.

vii) Vacancies

A vacancy in any office because of death, resignation, removal, disqualification or any other cause, shall be filled in the manner prescribed in this Joint Agreement for regular election to such office.

C) Meetings

i) In General

The Chairman or in his/her absence, the Vice-Chairman, or, in the absence of the Vice-Chairman, a temporary Chairman chosen by a majority of the members present shall preside. The Board shall by rule provide for regular meetings to be held one day each month for not less than ten calendar months of each year. Meetings of the Board will be held in accordance with the Open Public Meetings Act, as set forth in RCW 42.30.

ii) Place

Meetings shall be held at such place in the County of Yakima as may be designated in the notice of meeting or by resolution of the Board.

iii) Notice

Notice of meetings will be given in accordance with the Open Public Meetings Act, as set forth in RCW 42.30. The Board shall provide for the holding of regular meetings and will fix the time and place of holding such meetings.

iv) Organizational

The first Board of Directors shall hold an organizational meeting within ten (10) days of the appointment of the fifth member of said Board. At such meeting, the directors shall organize by electing from their number a Chairman and a Vice-chairman. In addition, the Board of Directors shall elect a Secretary and may elect such subordinate officers as they may determine, none of whom need be a member of the Board.

D) By-Laws and Procedural Rules

The Board shall adopt procedural rules for conducting Board meetings and performing the functions of the Board, and may adopt by-laws. Procedural rules and by-laws so adopted shall be subject to review and approval by the City and County.

E) Records

The Board shall cause a written record of its proceedings to be kept which shall be available for public inspection in the office of the Board. The Board shall record in the record the "aye" and "nay" vote on all matters coming before the Board at any regular or special meeting. All maps, plans, documents, records and accounts kept at the Board's office shall be subject to public inspection at all reasonable times.

F) Offices

The Board shall have a suitable office at the airport where its maps, plans, documents, records and accounts shall be kept. Said office shall be open to the public during regular working hours on normal working hours on normal working days, with the exception of legal holidays.

4) Manager

The Airport Board shall have the power to employ and discharge an Airport manager and to prescribe the duties and from time to time fix the compensation of the Manager. The Manager shall be responsible for receiving and having charge of all funds of the Board and shall disburse such funds only as directed by the Board.

5) Personnel

Existing City employees working at the Air Terminal may remain as City employees in a position other than at the Air Terminal by implementing City Civil Service procedures relating to reductions in force, or those employees may terminate City employment and remain as employees of the Board at the Air Terminal. The Board shall hire all existing City Air Terminal employees who choose to remain as Air Terminal employees. Employees who remain as employees of the Board at the Air Terminal shall be subject to the applicable provisions, terms and conditions of the Collective Bargaining Agreement between City of Yakima, Washington, and Washington State Council of County and City employees, AFSCME, Local 1122, AFL-CIO, attached hereto as Exhibit "C" and incorporated by reference as though fully set forth herein. Exhibit "C" shall govern the initial terms and conditions of employment and will be honored by the Board through December 31, 1983, unless amended as provided therein.

Subject to the above provisions, the Board shall have the power to employ, discharge, prescribe the duties and fix the compensation of employees from time to time, all as may be deemed desirable by the Board.

6) Budget

A budget of anticipated revenue from the Air Terminal operation and proposed expenditures to be made by the Board shall be prepared annually by the Board and submitted to the governing bodies of both the County and the City no later than November 1st of each year; and an annual budget for the ensuing year shall be determined and approved by the parties no later than December 1 of each year, which budget may be amended or supplemented by a joint resolution of the parties during the calendar year for which the original budget was approved.

7) Property Acquisition and Sale

Real property, airports, restricted landing areas, air protection privileges, or personal property costing in excess of Fifty Thousand Dollars (\$50,000.00) may be acquired, and condemnation proceedings may be instituted, only upon approval by the governing bodies of both the County and the City. Upon the approval of the County and City, or if no approval is necessary, then upon the Board's own determination, such property may be acquired by private negotiation under such terms and conditions as to the Board may seem just and proper.

No real property and no airport, or other navigation facility, or air protection privilege, owned jointly, shall be disposed of by the Board by sale except by authority of the City and County, but the Board may lease space, land area or improvements and grant concessions for aeronautical purposes, or other purposes which will not interfere with the aeronautical purposes of such airport, air navigation facility or air protection privilege by private negotiation under such terms and conditions as to the Board may seem just and proper, subject to the provisions of RCW 14.08.120. The Board may sell any personal property, not exceeding Ten Thousand Dollars (\$10,000.00) in value by private negotiations under such terms and conditions as to the Board may seem just and proper. Personal property valued in excess of Ten Thousand Dollars (\$10,000.00) shall be disposed of by public auction in the manner prescribed by RCW 39.33.020.

Condemnation proceedings shall be instituted in the names of the City and County jointly, and the property acquired shall be held by the City and County as tenants in common.

8) Fire Station

So long as the fire station remains in City ownership, it will be operated and maintained by the City with City personnel in compliance with Federal Aviation Administration requirements. The City will perform necessary routine maintenance on the crash truck and crash fire rescue truck operated from that station, the reasonable cost of such necessary routine maintenance, as well as

all other necessary maintenance, repair and general upkeep of the two trucks, as well as the cost of expendable materials used in connection therewith (such as, but not limited to, fuel and fire retardant) shall be an Air Terminal operating expense for which the Board shall be responsible through the budget process

Anything beyond necessary routine maintenance, repair and general upkeep will not be performed by the City without prior approval being given by the Board.

9) Joint Fund

A joint fund is hereby created for the purpose of providing funds necessary in carrying out the provisions of this joint agreement. The City shall deposit in the joint fund, no later than July 1, 1982, all budgeted monies in all City funds for 1982 related to Air Terminal maintenance, operation and capital improvements; provided, the City will withhold the amount of Seven Thousand, Five Hundred Dollars (\$7,500.00) to satisfy a contingent leasehold tax liability claimed by the State of Washington as arising from the City's operation of the Air Terminal, and to pay legal fees incurred by the City in the hiring of outside counsel to represent the City in defense against said claim. On the settlement of said contingent liability and payment of outside legal fees incurred any remaining amount of the \$7,500.00 so withheld, together with interest commencing July 1, 1982, at the rate of 12% per annum on the entire \$7,500 shall be deposited by the City in the joint fund. The County shall deposit in the joint fund Eighteen Thousand Five Hundred Dollars (\$18,500.00) no later than the 1st day of July, 1982. Also to be paid into such fund shall be the revenues obtained from the ownership, control and operation of the airport and other air navigation facilities jointly controlled, and all other monies and funds from whichever source coming into the possession of the Board, to be expended as provided in this joint agreement and RCW 14.08. Revenues in excess of cost of maintenance and operating expenses of the joint properties covered by this Agreement will be allowed to accumulate for future anticipated expenditures.

The joint fund will be administered by the City through 1982, in accordance with the instructions of the Board, and thereafter will be administered by the Board.

All disbursements from said joint fund shall be made by order of the Board in accordance with the lawful purposes of said Board as set forth in RCW 14.08 and this Joint Agreement.

10) Revenues

Revenues obtained from the ownership, control and operating of the Yakima Air Terminal - McAllister Field or other air navigation facility shall be used, first, to finance the maintenance and operating expenses thereof, and second, to make

payments of interest on and current principal requirements of any outstanding bonds or certificates issued for the acquisition or improvement thereof, and to make payment or interest on any mortgage heretofore made. Revenues in excess of the foregoing requirements may be applied to finance the extension or improvement of the airport or other navigation facilities. , and to construct, maintain, lease and otherwise finance the buildings and facilities for industrial or commercial use. Provided, that such portion of the airport property to be devoted to said industrial or commercial use be first found by the Board to be not required for airport purposes.

Neither the City nor the County may issue revenue bonds to fund airport operations or acquisitions without prior approval of the another party hereto. The Board may from time to time recommend to the City and County the issuance of bonds for airport purposes.

11) Joint Venture

The City and County shall participate equally as a joint venture in the operation of the Air Terminal; the City and County shall contribute equally to the joint venture and shall share equally all profits and losses and shall own jointly, in equal shares, any and all properties or facilities acquired or owned under the terms of this Agreement.

The above notwithstanding, all obligations and liabilities pre-existing the date of execution of this agreement, or arising after date of execution from acts or conduct of the City, its officers, agents, or employees pre-dating date of execution, shall be the sole responsibility and liability of the City, and neither the County nor the Air Terminal Board shall be responsible therefore other than by specific written agreement.

The City agrees to indemnify Yakima County and the Air Terminal from any and all said pre-existing debts, liabilities, choses in action, or claims of any nature, absolute or contingent, together with all expenses and legal fees incurred to compromise or defend such liabilities, choses in action, or claims of any nature, absolute or contingent, including, but not limited to, any and all liabilities arising from state or federal audit, or from failure, prior to date of execution of this agreement, to collect any state, federal or municipal excise tax or assessment of any nature.

Notwithstanding any provision contained herein to the contrary, annual leave and sick leave accrued by city employees employed at the Air Terminal as of the date of this agreement shall be a jointly shared liability of both the City and the County to be paid by the Board from the joint fund created by this agreement. The city and County further agree that a 1971 Airport Councilmatic General Obligation bond issue with a current principal balance of Two Hundred Twenty Five

Thousand Dollars (funded from the Airport Capital Fund) shall be a liability of the joint fund.

12) Assignment

All lease agreements between the City as lessor and tenants of the Air Terminal are hereby assigned to the Air Terminal Board effective July 1, 1982.

13) County and City Use

The City and County will be granted no special privilege or exemption by the Board granted to third parties in the use of airport facilities and operations.

14) Reports

A full and complete report of the activities, income and disbursements of the Air Terminal Board will be made on a quarterly basis to each of the ex-officio members of the Board. In February of each year, the Board shall provide the City and County with a complete financial statement of operations for the previous twelve month calendar year. This report will include the income and disbursements, the amounts contributed by the City and County, if any, and will reflect the profit and loss, if any.

In addition to the above, the Air Terminal Board shall furnish such other information as the City and/or County may from time to time require.

15) Termination of Agreement

Upon termination of this agreement, the liabilities of the joint venture shall first be paid, and thereafter, any remaining funds, property (real or personal), or other assets of any nature shall be held by the City and County equally as tenants in common.

16) Term of Agreement

This Agreement shall remain in full force and effect on a perpetual basis and shall continue indefinitely until terminated by mutual agreement between the City and County.

17) Amendment

This agreement may be amended, modified or revoked by the joint action of the governing bodies of the City and County.

Executed by the parties hereto this 30th day of June 1982.

City of Yakima

Richard A. Zais, Jr.
City Manager

Attest: Karen Roberts, Acting City Clerk

County of Yakima:

Charles J. Klarich, Chairman
Jim Whiteside, Commissioner
Graham Tollefson, Commissioner

Attest: Barbara Iriarte, County Clerk of the Board