

MINUTES OF EVERETT PORT COMMISSION REGULAR MEETING

December 8, 2009

PRESENT:

Philip B. Bannan	President
Michael F. Hoffmann	Vice President
Mark Wolken	Secretary
John M. Mohr	Executive Director
Karen Clements	Chief Fin. Officer
Brad Cattle	Port Attorney

CALL TO ORDER: The meeting was called to order at 9:00 a.m. by Commission President Phil Bannan.

APPROVAL OF MINUTES:

Commissioner Michael Hoffmann moved to approve the Work Session Minutes of November 3, 2009. Commissioner Mark Wolken seconded the motion. A vote was called for:

Vote: 3-0

Yes: Hoffmann, Wolken, Bannan

No: None

Abstained: None

Motion carried.

1. COMMISSION PRESIDENT'S REPORT

Commissioner Phil Bannan reported that the Executive Director's performance is reviewed by the Port Commission each year. Despite a very poor economy, the operational side of the Port achieved its goals for 2009. The major unfinished pieces of business were the Collins Building and the North Marina Redevelopment project, but these delays were outside of the Executive Director's control and should not influence or reflect poorly on his performance. Commissioner Bannan stated that overall, 2009 was a good year for the Port.

Commissioner Phil Bannan moved that the Executive Director's annual salary be increased by 2 percent, and that he receive the maximum contribution of \$15,000.00 to his deferred compensation plan to reflect the strong performance during the year. Commissioner Hoffmann seconded the motion. A vote was called for:

Vote: 3-0

Yes: Bannan, Hoffmann, Wolken

No: None

Abstained: None

Motion carried.

2. CHIEF ADMINISTRATIVE OFFICER'S REPORT

Personal Services Contract Policies – Resolution No. 926

Contracts Administrator Charlotte Walther said that recent legislation under RCW 53.19.090 requires that policies of open competition for all Personal Service Contracts be used in conjunction with existing port policies, with the statutory requirements prevailing over port policies. Charlotte Walther reported that Resolution No. 926 serves to comply with this requirement and recommended that the Commission adopt Resolution 926 establishing policies for entering into or amending Personal Service Contracts.

Commissioner Mark Wolken moved to adopt Resolution No. 926 as presented. Commissioner Michael Hoffmann seconded the motion. A vote was called for:

Vote: 3-0

Yes: Bannan, Hoffmann, Wolken

No: None

Abstained: None

Motion carried.

ORIGINAL

Ameron/Hulbert – PSI Site – Consulting Fees – Modification

Executive Director John Mohr reported that the Port of Everett is under an Agreed Order with the Washington State Department of Ecology (DOE) for the environmental evaluation and cleanup of the North Marina Ameron/Hulbert site. The site includes the Ameron International leasehold, and other adjacent portions of the Port's North Marina Redevelopment property. The Agreed Order requires the completion of the Interim Action Report, the Remedial Investigation/Feasibility Study (RI/FS) Work Plan, the RI/FS report, and the Cleanup Action Plan (CAP). Modification No. 2 covers costs associated with completing the RI/FS Work Plan, which will encompass a majority of the 2010 calendar year.

Potentially liable parties (PLPs) responsible for the site include the Port of Everett, Ameron International, and the Hulberts. The Port is working with the PLPs under a Cooperation and Participation Agreement, and is responsible for leading the process. The Agreement provides a legal framework to allow PLP participation in the cleanup process, which requires a high level of coordination between the PLPs. A portion of the budget for Modification No. 2 is established for PLP coordination.

The requested modification also includes a budget for completing an extensive historical review of the site, which is required under the terms of the Agreement. The budget for the historical review covers coordination of the historical review, contracting a historical research specialist, and conducting interviews with persons with knowledge. This work is important for evaluating when and where releases occurred at the site.

The existing Professional Services Agreement (PSA) with Landau Associates for this site has a current limitation of \$158,600. The requested modification to Landau's agreement will add an additional \$179,800 for a new total of \$338,400. Port costs associated with this work are eligible for reimbursement at a rate of 50 percent through grant funds from the DOE.

Staff recommends that the Commission approve the modification to the existing PSA, and further recommends that the Commission approve an exemption from the competitive solicitation process for the work identified in this modification and for possible future modifications necessary to complete the work required under the Agreed Order. It has been determined that the competitive solicitation process would not be cost effective – the current scope of services will build upon the previous work completed by Landau Associates conducted under Port direction.

Commissioner Michael Hoffmann moved to approve the modification to the Professional Services Agreement with Landau Associates in the amount of \$179,800, and to authorize an exemption from the competitive solicitation process for the work identified in the modification and for possible future modifications necessary to complete the work required under the Agreed Order. Commissioner Mark Wolken seconded the motion. A

vote was called for:

Vote:	3-0
Yes:	Hoffmann, Wolken, Bannan
No:	None
Abstained:	None

Motion carried.

3. CHIEF FINANCE OFFICER'S REPORT

2009 Third Quarter Financial Report

Chief Finance Officer Karen Clements provided the 2009 Third Quarter Financial Report to the Commission. Total Port Operating Revenues are \$17.1 million, or under budget by 3.5 percent. Total Port Operating Expenses of \$12.1 million are under budget by 9.7 percent, producing Operating Income of \$5.1 million, which is over budget by 15.4 percent. Depreciation is under budget by 12.7 percent, resulting in Net Operating Income of \$1.3 million. Net Nonoperating Revenues and Expenses are over budget by 123.6 percent. Total Port Net Income is \$2,727,856, or 290.2 percent over budget, at the end of the third quarter.

During The first nine months of 2009, the major project expenditures have been \$4.2 million on the South Marina P & Q Dock Replacement, \$3.9 million on the North Marina Redevelopment/Port Gardner Wharf 13th Street Infrastructure (including the reconstruction of the combined sewer overflow), \$411,000 on procurement of track materials for the Rail Access Recovery, and \$369,000 on Cargo Handling Equipment. A total of \$12.7 million was expended on 63 capital projects during the first nine months of 2009.

4. OPERATIONS REPORT

Marine Terminal Report

Marine Terminal Director Dave Madill reported that the Port had an increase of two vessel calls in November compared to the same time last year. The vessels carried wind energy components and transformers raising the tonnage percent by 135 percent over last year.

Containers were up by 200 percent compared to the same time last year. Year-to-date percentages are up by three percent.

At Mt. Baker Terminal, the Port handled 102 inbound containers and 88 outbound containers during the month of November.

5. APPROVAL OF BILLS

For the month of November 2009, Claims Voucher Nos. 53828 - 54148, in the amount of \$1,496,287.01, Claims Wire Transfers, IRS, in the amount of \$130,880.94, Washington State Dept. of Revenue in the amount of \$32,474.83, Payroll Voucher Nos. 31962 - 32182, in the amount of \$366,229.49, and Payroll Wire Transfers, PMA Payroll (Longshore Labor) in the amount of \$95,182.30, with the total amount of \$2,121,054.57, were presented to the Port Commission for approval of payment by Chief Finance Officer Karen Clements.

Commissioner Michael Hoffmann moved to approve payment of the vouchers for the month of November 2009. Commissioner Mark Wolken seconded the motion. A vote was called for:

Vote:	3-0
Yes:	Hoffmann, Wolken, Bannan
No:	None
Abstained:	None

Motion carried.

6. EXECUTIVE DIRECTOR'S REPORT

Holiday on the Bay

Executive Director John Mohr reported that there will be a tree lighting event at Port Gardner Landing near Lombardi's Restaurant on December 12 which marks the second year that the Port has worked in conjunction with the City of Everett to hold this special event for the community. To coincide with the tree lighting event, the Everett Yacht Club will hold their holiday boat parade.

10th Street Boat Launch Maintenance Dredging

John Mohr reported that the Port needs to remove 32,000 cubic yards of material from the 10th Street Boat Launch area because of the sediment that moved downstream during last year's storm events, causing the lower settling basin to overflow and to push sediments over into the 10th Street Boat Launch area. When testing of the sediments was performed, the reading resulted in a false positive due to a small piece of wood debris. The material has been retested and Port staff believes that the tests will come back as clean, but the Port has not yet been approved for open water disposal for the 32,000 cubic yards of material that needs to be removed from the launch ramp area.

This delay, coupled with the Port's standard bidding and award process and mandatory mitigation agency meetings, has created significant pressure on the project schedule which calls for in-water work to be completed by February 15. Previously, the Port Commission authorized staff to go to bid for this work upon receipt of all permits. With the Corps permits still pending and the extremely tight timeframe for undertaking and completing this dredging work, staff is seeking special Commission authorization to award the dredging contract, once bidding has occurred. This will provide the necessary flexibility to award

the contract as soon as possible, particularly if the Corps permit is issued after the second Commission meeting in January.

Commissioner Mark Wolken moved that the Executive Director be authorized to execute an agreement with the lowest responsive and responsible bidder for the Maintenance Dredging and Disposal of up to 32,000 cubic yards of sediments from in and around the 10th Street Boat Launch Facility, upon completion of the bid process, subject to the following conditions:

1. That the lowest responsive and responsible bid amount is within the authorized budget for the Project; and
2. That the permit for the project is received from the Corps of Engineers.

Commissioner Michael Hoffmann seconded the motion. A vote was called for:

Vote: 3-0
Yes: Bannan, Hoffmann, Wolken
No: None
Abstained: None

Motion carried.

Presentation

Executive Director John Mohr announced that during this past year, he has had the unusual experience of having three Commissioners retire from the Commission. Duane Pearson was on the Commission for a period of four months, and brought with him his property development expertise and served on the Commission during a very critical time. With his background and experience, Duane Pearson was able to bridge a very important gap and did an exceptional job for the Port. John Mohr presented Duane Pearson with a plaque in appreciation of his four months of dedicated service to the Port Commission.

The Port also received exceptional service from former Commissioner Connie Niva whose focus was on jobs and tax base creation, and guiding the Port into a more transparent government agency. Connie Niva was very supportive of Port staff, was an excellent spokesperson on behalf of the Port in the community, and was a tremendous support in moving some legislation forward and getting support from the Congressional Delegation. John Mohr presented a plaque to Connie Niva in appreciation of her four years of exceptional leadership and commitment to transparency in government.

Phil Bannan did some amazing things during his eight years as Executive Director and 12 years as Commissioner for the Port of Everett. One of his many accomplishments as Port Director was negotiating the sale of 110 acres of Port property to the Navy and modernizing the Port's terminal facilities to accommodate the growing marine traffic. He was also responsible for the major upgrade to the Port's ore handling system that handled alumina ore, and now handling cement.

During Phil Bannan's service as Commissioner, he worked to strengthen the Port's shipping business and also began the process of redeveloping the Port's 65-acre North Marina property into a new waterfront neighborhood. Other accomplishments include completing the California Street Overcrossing project to the terminals, building Mt. Baker Terminal, the 12th Street Yacht Basin, creating a state-of-the-art boatyard facility, and facilitating public access improvements.

Under Phil Bannan's leadership, the Port received the 2004 Port of the Year Award from the Washington Public Ports Association, the Chamber Service to Business Award, the Chamber Business Innovation Award, and the Port received 12 years of clean audits from the Washington State Auditor's Office for which the Port of Everett is the only port in the state of Washington that holds that distinction.

John Mohr presented a plaque to Phil Bannan in appreciation of his service as Executive Director from 1986 to 1994, and District 1 Port Commissioner from 1998 to 2009 in recognition of 20 years of public service and commitment to the constituents of the Port of Everett.

Phil Bannan stated that he has had the honor and the privilege of serving the citizens of the Port District and thanked the citizens for allowing him to be at the Port. He also expressed his sincere thanks to Port staff for all of the help, support and courtesy during his tenure. He thanked the current and former Commissioners who provided support and their willingness to commit their time and energy for the benefit of the citizens. Phil Bannan said the Port is doing a good job for the community.

Phil Bannan acknowledged and thanked his family, and gave special thanks to his wife Scuttle for her ongoing support.

7. CITIZEN COMMENTS

There were no citizen comments.


The meeting was recessed to Executive Session at 10:26 a.m., for approximately 30 minutes, to discuss with legal counsel a pending litigation matter and the review of the performance of a public employee. At the conclusion of the Executive Session, there was no action taken by the Commission, and there were no announcements.

THE REGULAR MEETING was adjourned at 11:00 a.m.

APPROVED: this 12th day of January 2010. EVERETT PORT COMMISSION

By:


Michael Hoffmann, President


Mark Wolken, Vice President


Troy McClelland, Secretary



Port of Everett

ORIGINAL

**Port of Everett
Voucher Approval List
for the month of
NOVEMBER
2009**

We, the undersigned Commissioners of the Port of Everett, Snohomish County, Washington, do hereby certify the following vouchers/warrants have been certified and approved for payment this the 8th day of December, 2009:

Claims Voucher Nos 53828 - 54148	Total	
Claims Wire Transfers:		\$1,496,287.01
11,2,11/4,11/16,11/18	Wire Transfer - IRS	\$ 130,880.94
11/24	Wire Transfer - Wa St Dept of Rev	\$ 32,474.83
	Total Claims	\$1,659,642.78
Payroll Voucher Nos. 31962 - 32182		\$ 366,229.49
Payroll Wire Transfers:		\$ 95,182.30
11/4,11/12,11/18,11/24	PMA Payroll (Longshore Labor)	
	Total Payroll	\$ 461,411.79
	Total Expenditures	\$ 2,121,054.57

Phil B Bannan President

[Signature] Vice President

[Signature] Secretary

Attest: Karen R A Clemente Port Auditor