

MINUTES OF EVERETT PORT COMMISSION REGULAR MEETING
March 10, 2009

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

ABSENT: Commissioner Connie Niva was absent due to previously scheduled business travel.

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 February 3, 2009, and the Regular Meeting Minutes of February 10, 2009. Commissioner Phil Bannan seconded the motion. A vote was called for:

Vote: 2-0
Yes: Bannan, Hoffmann
No: None
Abstained: None

Motion carried.

1. EXECUTIVE DIRECTOR'S REPORT

Commission Retreat

Executive Director John Mohr reported that the Commission Retreat is scheduled for March 31, 2009 at the Medallion Hotel in Smokey Point. The all-day meeting will begin at 8:30 a.m. John Mohr announced that the meeting will not be podcast.

Diversified Industries

John Mohr reported that Diversified Industries had previously requested the Port ratify the direction it had been given several years ago about the Port's willingness to assist Diversified in relocating from their current property that they lease from the Port of Everett to a new location. John Mohr said he recently spoke with Tiffany Mack, Director of Diversified Industries, who said they are continuing to work on their relocation and once they have a definitive plan, they would ask to come back before the Commission with their proposal.

2. CHIEF FINANCE OFFICER'S REPORT

Petty Cash/Travel Advance Funds – Resolution No. 909

Chief Finance Officer Karen Clements presented Resolution No. 909, a resolution increasing the Petty Cash fund for the Marina gas dock, which needs a third change drawer in the amount of \$100, and for a Security change fund in the amount of \$25.

Commissioner Michael Hoffmann moved to adopt Resolution No. 909 as presented. Commissioner Phil Bannan seconded the motion. A vote was called for:

Vote: 2-0
Yes: Bannan, Hoffmann
No: None
Abstained: None

Motion carried.

FEMA Public Assistance – Resolution No. 910

Chief Finance Officer Karen Clements presented Resolution No. 910, a resolution for Federal Emergency Management Agency (FEMA) public assistance funds, which requires a resolution designating an authorized representative and alternate for the Port of Everett to

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obtain federal and/or state emergency or disaster assistance funds for the flood damage from the severe winter storm in January 2009. Within the resolution, the authorized representative is Karen Clements, Chief Finance Officer, and the alternate is Nancy Overton, Project Accountant.

Commissioner Michael Hoffmann moved to adopt Resolution No. 910 as presented. Commissioner Bannan seconded the motion. A vote was called for:

Vote:	2-0
Yes:	Bannan, Hoffmann
No:	None
Abstained:	None

Motion carried.

3. OPERATIONS REPORT

Cargo Handling Equipment – Request for Qualifications

Chief of Operations Carl Wollebek reported that Port staff is seeking approval to solicit Requests for Qualifications for the purchase of two container spreaders, a cargo hook and head block configuration to be used with the gantry cranes to handle containerized and breakbulk cargoes. Some of this equipment will be replacing the Port's existing spreaders that have reached the end of their useful life. The cargo hook and headblock configuration are new acquisitions to assist in handling the diverse mix of cargoes at the Port. Port staff will return to the Commission requesting award of the contract to the selected manufacturer.

Carl Wollebek asked the Commission to approve the public solicitation in the form of Requests for Qualifications and Quotes for this equipment. Commissioner Michael Hoffmann moved to authorize Port Staff to solicit Requests for Qualifications for the purchase of two container spreaders, a cargo hook and head block configuration to assist in handling cargoes at the Marine Terminals. Commissioner Bannan seconded the motion. A vote was called for:

Vote:	2-0
Yes:	Bannan, Hoffmann
No:	None
Abstained:	None

Motion carried.

Marine Terminals Report

Marine Terminals Director Dave Madill reported that port had 13 port calls (both vessels and barges) for the month of February, which was the same as last year at this time. The Port had two project ships in February.

Tonnage and container counts are down somewhat from the same time last year, but that was to be expected with the current economy.

TWIC Implementation Report

Director of Security and Facilities Scott Grindy reported that the first month for the implementation of the Transportation Worker Identification Credential (TWIC) program has been going very well. He reported that 2,800 TWIC cards were issued in the Everett area, with more than 957,000 cards having been issued nationwide.

Scott Grindy also reported that Port Staff recently installed an ADA approved Sanitary Station at the end of the Pigeon Creek Trail for park users.

4. PROPERTIES REPORT

Hoffman Construction – Early Site Package/General Conditions – Contract Closeout

Chief of Properties & Development Larry Crawford reported that Hoffman Construction was awarded a General Contractor/Construction Manager (GCCM) contract for the North Marina Redevelopment Early Site Package in November 2005. The scope of the original

contract included building and site demolition, contamination soil removal, earthwork and Phase 1 roadway fills.

In July 2006, the Commission approved an amendment to the Hoffman contract for the Craftsman District boatyard improvements. The scope of the work included a new operation and maintenance building, upgraded site/area utilities and a new environmentally friendly, state-of-the art boatyard. The Commission approved the closeout of this portion of the project in October of 2008.

With the previous closeout of the Craftsman District and the completion of the Early Site Package, Larry Crawford said the overall Guaranteed Maximum Price (GMP) budget of \$16,768,248 has been reduced by \$569,241. As the Craftsman District Boatyard is expanded, additional funds will need to be appropriated into the budget. The North Marina Redevelopment GCCM project has now moved into the Early Roadway and Utility construction phase of the project approved by the Commission on May 13, 2008 in the amount of \$7,200,000.

Larry Crawford asked the Commission to authorize the closeout of the Hoffman Construction GCCM Early Site Package project scope, including General Conditions, in the amount of \$6,507,538.05 (Early Site Package in the amount of \$4,045,158.36 and General Conditions in the amount of \$2,462,379.69), including Washington State Sales Tax (WSST).

Commissioner Michael Hoffmann moved to authorize the closeout of the North Marina Redevelopment Early Site Package project in the amount of \$6,507,538.05, including WSST. Commissioner Phil Bannan seconded the motion. A vote was called for:

Vote:	2-0
Yes:	Bannan, Hoffmann
No:	None
Abstained:	None
Absent:	Niva

Motion carried.

Baywood – PSI – Cleanup – Professional Services Agreement

Larry Crawford reported that in October 2008, the Port entered into a Professional Services Agreement in the amount of \$15,000 for the preliminary portion of the Department of Ecology's Agreed Order work pertaining to the Baywood property. The agreement recognized that additional phased work would require a future contract modification to the original contract as the Puget Sound Initiative cleanup activity progressed.

The additional work as defined by Ecology will include assessment of wood waste in the site sediments and the uplands assessment at the former mill operation areas, as described in the Remedial Investigation/Feasibility Study (RI/FS) and Draft Cleanup Action Plan for Bay Wood Products Site, dated December 18, 2008. This additional work will include a submittal to Ecology, additional assessment as necessary, assisting the Port at public meetings, as well as the first draft of the RI/FS report to be submitted in December 2009. The report will document the site assessment work and the assessment results, and will establish site-specific cleanup levels, points of compliance, remediation levels, and evaluation of cleanup action alternatives. Larry Crawford said that the work is estimated at \$132,142, and anticipates additional future scopes of work to include the 2nd draft Work Plan, development of the Cleanup Action Plan, and regulatory negotiations to reach a Consent Decree.

Larry Crawford asked the Commission to approve the modification to the Professional Services Agreement with SLR International Corporation in the amount of \$132,142.

Commissioner Michael Hoffmann moved to approve the modification to the Professional Services Agreement with SLR International Corporation in the amount of \$132,142. Commissioner Bannan seconded the motion. A vote was called for:

Vote: 2-0
Yes: Bannan, Hoffmann
No: None
Abstained: None
Absent: Niva

Motion carried.

5. PROJECTS UPDATE

TSA Round 7A – Rail Access Recovery, Materials Procurement Bid Request

Chief Engineering & Planning Director John Klekotka reported that the Port has received a Federal Transportation Security Administration (TSA) grant for the recovery of railroad access in the event of catastrophic damage to its other rail facilities. The Port is also receiving a \$250,000 no-interest loan from the Washington State Department of Transportation's Rail Bank Program. In order to assure that the Rail Bank loan funds are expended prior to their June 30, 2009 deadline, Staff is recommending the advanced procurement of project materials, and needs Commission approval to issue a public solicitation for the materials. The materials to be procured include the rail, turnouts, railroad ties, and other track hardware in the approximate amount of \$150,000. In addition, in order to streamline the procurement process, Staff requests the Executive Director be given authority to award the material procurement to the low bidder.

Commissioner Michael Hoffmann moved to approve the solicitation for procurement of rail materials for the Rail Access Recovery project and that the Executive Director be given the authority to award the material procurement to the low bidder. Commissioner Phil Bannan seconded the motion. A vote was called for:

Vote: 2-0
Yes: Bannan, Hoffmann
No: None
Abstained: None
Absent: Niva

Motion carried.

TSA Round 7A – Mt. Baker Terminal Security Construction Bid Request

Project Manager Poli Luis reported that the Commission previously authorized a total 2009 CIP budget of \$336,785 for the TSA Round 7A Mukilteo Barge Pier (Mt. Baker Terminal) and authorized a final design contract with Parson Brinckerhoff in the amount of \$300,000. Mt. Baker Terminal Security project is in the final design stage. Port staff is requesting Commission authorization to solicit bids for the TSA Round 7A Mt. Baker Terminal Security System construction.

Commissioner Michael Hoffmann moved to approve the construction bid request for the Mt. Baker Terminal Security System. Commissioner Bannan seconded the motion. A vote was called for:

Vote: 2-0
Yes: Bannan, Hoffmann
No: None
Abstained: None
Absent: Niva

Motion carried.

6. APPROVAL OF BILLS

For the month of February 2009, Claims Voucher Nos. 50963 - 51424 in the amount of \$3,733,784.99, Claims Wire Transfers, IRS, in the amount of \$116,032.74, Union Bank of

California in the amount of \$9,216.70, Payroll Voucher Nos. 29947 - 30131, in the amount of \$277,542.64, and Payroll Wire Transfers, PMA Payroll (Longshore Labor) in the amount of \$90,747.61, with the total amount of \$4,227,324.68, 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 February 2009. Commissioner Phil Bannan seconded the motion. A vote was called for:

Vote:	2-0
Yes:	Bannan, Hoffmann
No:	None
Abstained:	None
Absent:	Niva

Motion carried.

7. COMMISSIONER COMMENTS

There were no Commissioner comments.

8. CITIZEN COMMENTS

A contingency of marina tenants and marine business owners, led by former Commissioner Don Hopkins, Jr., raised objections to the proposed Marina rate and fee increases and asked the Commission to thoroughly review the proposal before raising the rates. With the current downturn in the economy, raising the rates across the board would put an undue burden on the tenants and likely result in higher vacancies at the Port's marinas.

Commissioners Phil Bannan and Michael Hoffmann agreed to carry over the proposed Marina rate increases to the April Commission meeting so that Commissioner Connie Niva could be included in the discussion.

Dave Mascarenas, Everett, commented that during the economic downturn, the Port should tighten up on its costs and cancel the upcoming trip to Japan. Commissioner Bannan responded that he recommended that Michael Hoffmann go on the Japan trip. As a new Commissioner, Michael Hoffmann has not had the experience of going to Japan and meeting the Port's customers and representing the Port in meetings. Also, in the Japanese culture, it is of high importance that elected officials attend meetings and receptions. Phil Bannan recommended that Michael Hoffmann travel to Japan in order to understand where the Port's cargo traffic is coming from and be familiar with whom the Port does business.

Former Commissioner Don Hopkins said he has had the experience of traveling to Japan on behalf of the Port, and what Commissioner Bannan has said is very important – especially when traveling to the Far East. Don Hopkins indicated that on one of his trips to Japan, he went with Alan Mulally, who at that time, was the head of the Commercial Airplane Division of the Boeing Company. Because he was an elected official, Don Hopkins said he was seated with the Governor at the head table, along with Alan Mulally. It is essential for the Port to have its Commissioners travel to the Far East to interact with its customers and recommended that both Commissioners travel to Japan. For the cost of the trip, the Port will receive benefits in return.

Phil Bannan said he would have a discussion with Port staff about his attendance on the trip, and it will be brought back for discussion in the April meeting.

No Executive Session was held.

THE REGULAR MEETING was adjourned at 9:58 a.m.

APPROVED: this 14th day of April 2009. EVERETT PORT COMMISSION

By: Philip B. Bannan
Philip B. Bannan, President

Michael F. Hoffmann
Michael F. Hoffmann, Vice President

Constance M. Niva, Secretary



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**Port of Everett
Voucher Approval List
for the month of
FEBRUARY
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 10th day of March, 2009:

	Total
Claims Voucher Nos 50963 - 51424	\$ 3,733,784.99
Claims Wire Transfers:	
2/2, 2/17	Wire Transfer - IRS \$ 116,032.74
2/23	Wire Transfer - Union Bk of Calif \$ 9,216.70
Total Claims	\$ 3,859,034.43
Payroll Voucher Nos. 29947 - 30131	\$ 277,542.64
Payroll Wire Transfers:	
2/4,2/11,2/18,2/25	PMA Payroll (Longshore Labor) \$ 90,747.61
Total Payroll	\$ 368,290.25
Total Expenditures	\$ 4,227,324.68

Philip B. Bowman President
Michelle M. Williams Vice President

Secretary

Attest: Karen R. A. Clements Port Auditor