

MINUTES OF EVERETT PORT COMMISSION WORK SESSION
July 7, 2009

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

CALL TO ORDER: Commissioner Phil Bannan called the meeting to order at 9:01 a.m.

1. EXECUTIVE DIRECTOR'S REPORT

Process for Appointment of Port Commissioner

Relative to Commissioner Connie Niva's announcement that she will be resigning from the Commission, Port Attorney Brad Cattle provided an overview of the legal requirements for the process of appointing a Port Commissioner.

Executive Director John Mohr presented a schedule for the appointment process to the Commission proposing that applications will be accepted July 10 through July 23; a Special Meeting and Executive Session will be held on July 24 to review candidate qualifications and select individuals for interview; a Special Meeting will be held July 28 to interview the candidates; and with the appointment of the candidate to occur on August 4, 2009.

Annie Lyman, Everett, asked when Commissioner Niva was resigning. Commissioner Niva responded that today was her last Commission meeting as she is moving out of Commissioner District 2.

David Mascarenas, Everett, asked the Commission to consider putting the five-member Commission proposal on the ballot for the general election. Commissioner Niva said that it was her belief that the Commission should consider a five-member commission and suggested that it be put on the November ballot.

Commissioner Michael Hoffmann commented that he was concerned about an unfair influence, and said the Commission should only consider applicants that do not intend to run for the office in the November general election. Commissioner Bannan voiced his disagreement, but in order to move the matter forward, agreed to Commissioner Hoffmann's proposal.

Commissioner Bannan directed Staff to make sure that the notice for commissioner candidates contain language that the Port Commission will only consider applicants that do not intend to run for office in the November general election.

Bauer Evans Purchase & Sale Agreement

Due to the struggling financial market, Brian Evans of Bauer Evans requested a payment plan for the \$2.5 million purchase of the Port's existing Administration Building. Commissioner Phil Bannan instructed Port staff to work with Bauer Evans to find a mutually beneficial agreement, and to bring the matter back to the Commission for consideration.

Chief Administrative Officer

Executive Director John Mohr announced that Jerry Heller, Chief Administrative Officer, is out on medical leave and will return in early August.

ORIGINAL

Mukilteo Tank Farm

John Mohr reported that the Air Force is continuing to work through the comments it received during its environmental assessment period. Because of the additional consultation required with the tribes, the final environmental assessment is not expected to be finalized for up to a year, which results in another delay for the transfer of the property to the Port of Everett.

Union Contracts

John Mohr reported that the Port has reached a tentative agreement with the Union regarding the Local 32A Maintenance contract. The Port will pay the first 7 percent of any increase in the current health care package, with the balance being split with the employee. For the year 2009, the compensation rate will increase by 3.75 percent, for 2010 - 3.75 percent, and for 2011 - 3.25 percent. A one-time cash payment of \$500 for qualifying union employees will be issued upon completion of the agreement.

John Mohr asked the Commission to consider action on the Local 32 A Maintenance Contract.

Commissioner Connie Niva moved to accept the negotiated Maintenance contract between the Port of Everett and Local 32 A. Commissioner Michael Hoffmann seconded the motion. A vote was called for:

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

Motion carried.

Collins Building

Executive Director John Mohr provided a brief report on the Special Meeting held July 2, 2009. At the meeting of July 2, the Port Commission reaffirmed Resolution No. 914, which authorized the deconstruction of the Collins Building.

2. CHIEF FINANCE OFFICER'S REPORT

Property Insurance Policy Renewal

Chief Finance Officer Karen Clements reported that the Port of Everett property insurance renewal was July 1, 2009, and the insured property values of the Port totaled \$222 million - an increase of 5 percent over last year. The renewal rate has increased by 11 percent, and the premium is approximately \$385,000 for the year, which is a 15 percent increase over last year. The Port's liability insurance renews on October 1, 2009.

3. OPERATIONS REPORT

Marina Report

Marina Director Cyndy Olsen provided a brief report on the increased marina guest moorage business and moorage sign ups for small slips. A customer appreciation BBQ event will be held on July 30, 2009 from 5:30 to 6:30 p.m. at the Landing, north of Lombardi's Restaurant.

Cyndy Olsen also reported on the fire on Jetty Island that occurred on July 1, and that at the time, there were over 950 people on the island for Jetty Island Days. Port staff, the Everett Fire Department and the Everett Police Department all responded promptly. The cause of the fire is unknown.

4. PROPERTIES REPORT

Chief of Properties Larry Crawford provided a brief update on the Early Roadway and Utility Infrastructure project at the North Marina, and the MSRC / Administration Building project.

5. ANNUAL STRATEGIC PLAN ASSESSMENT

Graham Anderson announced that he will provide the Annual Strategic Plan Assessment at the meeting on July 14, 2009.

6. PROJECTS UPDATE

TSA Rd 7A – Mt. Baker Terminal Security – Construction Award

Project Manager Poli Luis presented the results of the bid tabulation for the TSA Round 7A Mt. Baker Terminal Security Surveillance project to the Commission. The project will provide for four new security cameras at the Mt. Baker Terminal and will be integrated with the existing Marine Terminal security system. Six bids were received on June 16, 2009, ranging from \$150,150 to \$254,436. The engineer's estimate was \$272,851. The low bidder was Dutton Electric Company, Inc. in the amount of \$150,150. Poli Luis asked the Commission to award the construction project to Dutton Electric Company.

Commissioner Connie Niva moved to award the TSA Round 7A Mt. Baker Terminal Security Construction contract to Dutton Electric Company in the amount of \$150,150, including Washington State Sales Tax. Commissioner Michael Hoffmann seconded the motion. A vote was called for:

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

Motion carried.

Marina Flotation Upgrade / Float Surface Repairs – Bid Request Authorization

Project Manager Poli Luis presented the Marina Flotation Upgrade / Float Surface Repairs project to the Commission. An upgrade of the Marina Flotation was recommended in the January 2005 Condition Assessment Report. The South Marina float and finger concrete surfaces are eroding due to age and severe weather conditions. Both the Marina Flotation and Float Surfaces will require repairs for safety of boating tenants. The construction cost estimate for this project is approximately \$290,000. Poli Luis requested that the Commission authorize Staff to solicit bids for this project.

Commissioner Connie Niva moved to authorize Staff to solicit a Call for Bids for the Marina Flotation Upgrade and Float Surface Repair projects. Commissioner Michael Hoffmann seconded the motion. A vote was called for:

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

Motion carried.

7. COMMISSIONER COMMENTS

Commissioner Connie Niva announced that today was her last Port Commission meeting. She applauded Port staff for their dedication and thanked fellow Commissioners Hoffmann and Bannan for their support. She expressed her apologies that she would not be completing her 6-year term.

Commissioner Niva inquired about the future Everett Farmer's Market. John Mohr responded that the City of Everett is exploring its options for a year-round Farmer's Market in the Riverfront Development.

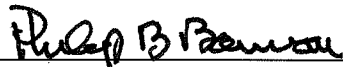
8. CITIZEN COMMENTS

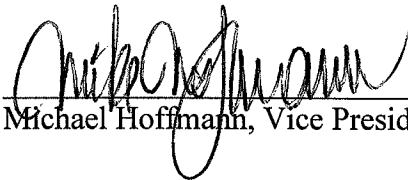
There were no Citizen comments.

THE WORK SESSION WAS RECESSED into Executive Session at 10:15 a.m. for approximately one hour to discuss with legal counsel issues pertaining to a pending litigation matter, and to receive legal advice on a lease issue. At the conclusion of the Executive Session, there will not be action taken by the Commission and there will not be any announcement. The Commission meeting will be adjourned at the conclusion of the Executive Session.

THE WORK SESSION WAS ADJOURNED with no further action at 11:15 a.m.

APPROVED: THIS 11th day of August 2009. EVERETT PORT COMMISSION

By: 
Philip B. Bannan, President


Michael Hoffmann, Vice President

, Secretary