

MINUTES OF EVERETT PORT COMMISSION WORK SESSION
April 7, 2009

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

CALL TO ORDER: Commissioner Phil Bannan called the meeting to order at 9:00 a.m.

The following items within the Work Session were action items:

1. CHIEF FINANCE OFFICER'S REPORT

FEMA Public Assistance – 2008 Snow Event – Resolution No. 911

Chief Finance Officer Karen Clements reported that the Federal Emergency Management Agency (FEMA) requires a resolution designating an authorized representative and alternate for the Port of Everett to obtain federal and/or state emergency or disaster assistance funds for the severe winter storm event that occurred December 12, 2008 – January 5, 2009. It is Staff's recommendation that the Commission adopt Resolution No. 911 designating Karen Clements as the authorized representative and Nancy Overton as the alternate representative.

Commissioner Connie Niva moved to adopt Resolution No. 911 as presented. Commissioner Michael Hoffmann seconded the motion. A vote was called for:

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

Motion carried.

2. OPERATIONS REPORT

Marina Rates / Fees

Chief Operating Officer Carl Wollebek reported that Port Staff is asking for the 2.5 percent moorage rate and fee increase for 2009 to help cover a revenue shortfall that the Marina is experiencing. Staff has also had to identify operating expense budget cuts to cover the shortfall. A 2-1/2 percent rate increase would represent an additional \$9.00 per month for a 40 ft boat. The Recapitalization of the marina is dependent on revenue streams, such as the \$6 million P & Q Float Replacement Project. Without increasing the revenue streams, projects such as these cannot be completed.

Carl Wollebek added that the Marina's rates and fees are competitive with other area marinas.

Commissioner Phil Bannan said the Port received numerous comments from the public last month on the moorage rate increase, and the Commission agreed to revisit the issue this month. Staff has proposed a 2-1/2 percent increase for Marina rates and fees, and the Commission has given staff the authority to adjust the rates to be competitive. The \$6 million construction cost for the P & Q Float Replacement project indicates that the Port cannot fall behind in its revenue stream, because the marina has to be maintained. Commissioner Bannan said he was in agreement with Staff's proposal to raise the Marina rates and fees by 2-1/2 percent.

Upon discussion, the Commission did not overturn the Staff's proposal to raise the Marina rates and fees by 2-1/2 percent effective May 1, 2009.

ORIGINAL

Boat Auction – Resolution No. 912

Marina Director Cyndy Olson presented Resolution No. 912 to the Commission which authorizes Port Staff to proceed with the public sale of vessels as a result of abandonment or non-payment of moorage fees.

Commissioner Connie Niva moved to adopt Resolution No. 912 as presented. Commissioner Michael Hoffmann seconded the motion. A vote was called for:

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

Motion carried.

3. **PROPERTIES REPORT**

Lease Brokering Services

Chief of Properties and Development Larry Crawford reported that on March 3, 2009, the Commission authorized Staff to issue a Request for Proposals for Lease Brokering Services for various port owned commercial facilities that will be available for lease over the next 18 to 24 months. The availability of these facilities is driven by the construction remodel and addition to the MSRC Building. The available lease space will include the expanded MSRC Building, South Marina Office Building, 12th Street Marina Upland Building and portions of the Conference Center. The Port received two proposals for lease brokering services.

Larry Crawford asked the Commission to authorize the Executive Director to negotiate and finalize a Personal Services Agreement with Eclipse Real Estate Group for Commercial Real Estate Lease Brokering Services.

Commissioner Bannan raised concerns about a two-year contract and suggested that a one-year performance contract might be better. Port attorney Brad Cattle said that within the standard general terms of the Request for Qualifications there is a provision that the contract can be terminated without cause on 30-days notice.

Commissioner Bannan said it would be prudent to establish a review after one year. Commissioner Niva agreed that it would be a good idea to call it out in the contract. Larry Crawford said the terms of the contract can still be negotiated to include the one-year performance language.

Commissioner Michael Hoffmann moved to authorize the Executive Director to negotiate and finalize a Personal Service Agreement with Eclipse Real Estate Group for Commercial Real Estate Lease Brokering Services as presented. Commissioner Connie Niva seconded the motion. A vote was called for:

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

Motion carried.

THE MEETING WAS RECESSED INTO EXECUTIVE SESSION at 10:42 a.m. The purpose of the Executive Session is to discuss with legal counsel a pending litigation matter and a claim that may become a litigation matter. No action will be taken. The Executive Session will conclude by approximately 11:45 a.m.

THE WORK SESSION WAS ADJOURNED with no further action at 11:50 a.m.

APPROVED: THIS 12th day of May 2009.

EVERETT PORT COMMISSION

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

Michael Hoffmann
Michael Hoffmann, Vice President

Constance M. Niva
Constance M. Niva, Secretary