

MINUTES OF EVERETT PORT COMMISSION  
REGULAR MEETING  
April 8, 2014

PRESENT:	Tom Stiger	President
	Troy McClelland	Vice President
	Glen Bachman	Secretary
	John Mohr	Executive Director
	John Carter	Chief Finance Officer
	Brad Cattle	Port Attorney

CALL TO ORDER: The Regular Commission Meeting of April 8, 2014 was called to order at 5:04 p.m. by Commission President Tom Stiger.

Commission President Tom Stiger approved of Commissioner Glen Bachman's participation in the meeting via teleconference.

CONSENT AGENDA FOR APRIL 8, 2014

- Approval of Regular Meeting Minutes of March 4, 2014
- Approval of Bills for March 2014

Commissioner Troy McClelland moved to approve the Consent Agenda for April 8, 2014. Commissioner Bachman seconded the motion. A vote was called for:

Vote:	3-0
Yes:	McClelland, Bachman, Stiger
No:	None
Abstained:	None

Motion carried.

1. EXECUTIVE DIRECTOR'S REPORT

**Commission Retreat**

Executive Director John Mohr reported that he and Les Reardanz have been working with Tim Thompson to finalize the report from the Commission Retreat. Staff expects to receive the final draft within the next several days. On May 13, Tim Thompson will make a presentation and provide the final report to the Commission at that time.

**Westwood Shipping Lines**

John Mohr reported that Westwood Shipping Lines will also be at the May 13<sup>th</sup> meeting to brief the Commissioners on things that they have been doing at the Port, and to also discuss the future opportunities and needs as the Port and Westwood move forward.

**Puget Sound No Discharge Zone**

John Mohr announced that the Department of Ecology is taking public comments on the draft petition to the Environmental Protection Agency (EPA) on a No Discharge Zone (NDZ) for Puget Sound. Port Staff is recommending that the Commission support a letter for the creation of a partial No Discharge Zone in Puget Sound that would respect the water quality concerns around areas of impaired water quality or areas of high-risk such as shallow-water areas and shellfish beds. Staff believes the majority of recreational boaters and all commercial vessels have navigational technology that ensures they know where they are at all times and can easily avoid any areas so designated.

Commissioner Troy McClelland moved that the Commission submit a letter of public comment on the draft petition to the EPA on the Puget Sound No Discharge Zone proposal as presented by Executive Director Mohr. Commissioner Glen Bachman seconded the motion. A vote was called for:

Vote:	3-0
Yes:	McClelland, Bachman, Stiger
No:	None
Abstained:	None

Motion carried.

Port attorney Brad Cattle added that if Commissioner Bachman would indicate his authorization for Staff to sign on his behalf, then the letter can be submitted prior to his return. Commissioner Bachman said that he would authorize Staff to sign on his behalf so the letter can be submitted to the DOE.

2. **DEPUTY EXECUTIVE DIRECTOR'S REPORT**

**Comprehensive Scheme Review**

Deputy Executive Director Les Reardanz reported that on October 8, 2013, the Commission moved to adopt the revised Comprehensive Scheme of Harbor Improvements in order to provide a more user friendly Comprehensive Scheme. As part of that discussion, the Commission adopted a Comprehensive Scheme annual review "cycle" whereby the Commission would review the Scheme, provide direction to Staff as may be needed to implement during the year, and then the Commission would re-adopt the Scheme during the budget adoption to link the updated Scheme and the Capital Improvement Plan.

Les Reardanz said that Staff will review the existing Scheme with the Commission to solicit any direction on changes that may need to be undertaken during the upcoming year to ensure that the Port's strategic Vision and Scheme align.

Commissioner McClelland said it is an approach that is more in sync with the rest of the planning efforts. Commissioner Stiger said the document is well prepared. Commissioner Bachman asked if the Comprehensive Scheme covers any future acquisitions. Les Reardanz responded that it does not cover future acquisitions. It reviews the Port's current holdings and what the current and future plans are for those properties. The intent under the statute for the Comprehensive Scheme is that if the Port needs to spend money on future plans, the Port needs to have it adopted in the Comprehensive Scheme so that the public is aware of what the plans are and then tie the Comprehensive Scheme with the Capital Improvement project. It does not talk about future acquisition.

**Resolution No. 1009 – Recreation Conservation Office Grant**

Les Reardanz said in putting together the documentation to apply for a Recreation Conservation Office (RCO) grant application to fund certain public trail enhancements, Staff found out that the Port needed to have a resolution authorizing the Executive Director to sign the grant application. Staff found this out today, and the application needs to be submitted by May 1, which is before the next Commission meeting.

Attached is Resolution No. 1009 that would authorize Staff to apply for an Aquatic Lands Enhancement Grant for the Central Docks Public Trail Enhancements project that would extend the existing central marina esplanade along the west edge of the Everett Shipyard cleanup site and complete the 14<sup>th</sup> Street trail section. The project would complete a critical link of the waterfront trail system.

The grant funds will be used to complete the public access pathway along the north margin of the Central Docks by placing the final concrete topping slab along the 1,700 feet of path bordering the Central Marina waterfront. A new 4,000 square foot overwater platform will be constructed to continue the pathway and an additional 400 feet of path will be constructed above a new bulkhead in the recently remediated Puget Sound Initiative Everett Shipyard Cleanup site. The maximum grant amount is \$500,000 with a 50 % match. The total project cost is estimated at \$1.422 million.

Les Reardanz asked the Commission to adopt Resolution No. 1009 as presented.

Commissioner Troy McClelland moved to authorize Port Staff to apply for a Recreation Conservation Office grant for the Central Docks Public Trail Enhancements project and to adopt Resolution No. 1009 as presented. Commissioner Glen Bachman seconded the motion. A vote was called for:

Vote:	3-0
Yes:	McClelland, Bachman, Stiger
No:	None
Abstained:	None

Motion carried.

3. CHIEF FINANCE OFFICER'S REPORT

**Port of Everett Investment Policy – Resolution No. 1007**

Chief Finance Officer John Carter reported that the Port currently invests all of its available cash not held in current bank accounts in the State Treasurer's Local Government Investment Pool. The Investment Pool is only earning .09% and having a formal policy in place where the Port can invest in instruments a little bit more proactively would give the Port a much better return. The Port had previously adopted Resolution No. 707 which has served as the investment policy for the Port of Everett.

John Carter presented an updated and modified investment policy to the Commission that sets the parameters for making longer term investments and provides guidance on authorized investments, performance standards and reporting. By adopting Resolution No. 1007, the Port Commission is rescinding Resolution No. 707 and is approving the new Investment Policy, and is authorizing the Chief Finance Officer to enter into financial contracts necessary to fulfill the requirements of the Investment Policy.

Commissioner McClelland commented that John Carter has gone over the Investment Policy with the Commissioners a few times, and as John Carter has noted, the opportunities for investments have changed significantly over the years.

Commissioner Troy McClelland moved to adopt Resolution No. 1007 adopting the Port Investment Policy as written. Commissioner Glen Bachman seconded the motion. A vote was called for:

Vote:	3-0
Yes:	McClelland, Bachman, Stiger
No:	None
Abstained:	None

Motion carried

**Resolution No. 1008 – Authorizing Investment of Monies in the Local Government Investment Pool**

John Carter reported that the Port has utilized the Washington State Treasurer's Local Government Investment Pool (LGIP) for investable funds. The LGIP provides for professional management and for daily liquidity of up to \$10 million. The LGIP operates the fund using highly rated, short term investments.

John Carter asked the Commission to adopt Resolution 1008 authorizing the Chief Financial Officer to make all decisions regarding investments by the Port into the LGIP be approved.

Commissioner Troy McClelland moved that Resolution No. 1008 authorizing John Carter, Chief Financial Officer, to make all decisions regarding investments by the Port into the Local Government Investment Pool be approved. Commissioner Bachman seconded the motion. A vote was called for:

Vote:	3-0
Yes:	McClelland, Bachman, Stiger
No:	None
Abstained:	None

Motion carried.

**Request for Proposals – Equipment Financing Update**

John Carter reported that the Port is on the street with a Request for Proposals (RFP) that has been drafted to provide potential financing options for the portion of the capital budget that has been dedicated to equipment purchases for 2014.

During the budget process, Staff indicated that there would be some large purchases of equipment and thought it would be appropriate to solicit for financing options specifically for the equipment. The RFP has been put together to send out to many of the financing institutions that have contacted the Port in the past about this type of transaction. The RFP has been posted to the Port's web site and posted through Builders Exchange. The

responses to the RFP are due on April 11 and Staff will bring their recommendation to the Commission at the next meeting.

4. DEPARTMENT REPORTS

**Operations – Travel Report**

Chief Operating Officer Carl Wollebek reported that at the request of The Boeing Company, he recently traveled to Nagoya Japan to visit with some of the Boeing suppliers and met with representatives of Boeing's logistics and procurement departments. Carl said he also took the opportunity to visit a lot of Boeing's suppliers to discuss existing production and future needs for the 777X. Also, Staff met with several customers in Japan that are based in Tokyo – Eastern Car Liner, Westwood Shipping Lines and various other ship owners that the Port is trying to do some business.

Following that trip, Carl Wollebek said he went to Vancouver BC to visit with Lehigh Cement. Lehigh is still trying to time the market as far as when cement imports might begin. However, they have spent some money cleaning up the Dome facility and have had some engineers looking at the facility to see what would be required to get the facility up and running.

Port Staff also recently went to Sacramento, Stockton and Manzanillo to look at some mobile harbor cranes. It was a really good visit and it helped Staff to formulate the Request for Proposals that hopefully will be issued here by April 15, 2014 .

Carl Wollebek said that following that trip, he traveled to Seoul to discuss the shipment of Case New Holland farm equipment. The Port will likely have four to six vessels this year.

Walter Seidl, Director of Marketing, is in Calgary following up on business as well.

**Acquisition of Self-Propelled Boat Transporter – Request to Award Contract**

Jeff Lindhout, Marina Director, said that Staff recently sent out a Request for Proposals (RFP) for a self-propelled boat transporter. The Port received two submittals, one from Hostar Marine for a Yard Star 60, and one from Kendrick Equipment that was a Travelift TM 60. The lifting capacity of the Travelift TM 60 is 132,000 lbs, and the Yard Star 60 was 120,000, so there was a larger lifting capacity on the TM 60. Other advantages of the TM 60 are better training and support. The company has local technicians that can take care of training and support, and the maneuverability of the TM 60 is significantly better due to the all wheel drive capacity.

The budget amount for the boat transporter was \$330,000. The bid amount for the TM 60 came in at \$365,983.80 including WSST which is slightly over budget. Based upon Port Staff's evaluation, the Travelift TM 60 will best suit the Port's current and future boat yard needs.

Jeff Lindhout asked the Commission to authorize the Executive Director to award and execute a contract to purchase a Marine Travelift TM 60 Transporter from Kendrick Equipment in the amount of \$365,983.80, including WSST, and authorize the Chief Finance Officer to utilize up to \$50,000 from the Sweeper CIP MT 10-2012 to cover the expenditure exceeding the amount budgeted for the self-propelled transporter.

Commissioner McClelland said the cost is a little bit over of what was anticipated, but it looks like a far superior technical solution, and said he was in support of the purchase.

Commissioner Stiger asked about the Sweeper account. Carl Wollebek said that Staff actually decided to go with a smaller unit, so there were leftover funds of \$200,000.

Jerry Simicich, Everett, asked if the Port expects additional costs to the boaters for this equipment. Jeff Lindhout responded that the transfer time for the Travelift is only about 15 – 20 minutes, and one of the purposes of this is that it will be saving time. Jeff said he did not see any impact to the boaters.

Commissioner McClelland moved that the Commission authorize the Executive Director to award and execute the contract for the Self-Propelled Boat Transporter to the highest

ranked proposer with a price not to exceed \$400,000, including WSST. Commissioner Bachman seconded the motion. A vote was called for:

Vote: 3-0  
Yes: McClelland, Bachman, Stiger  
No: None  
Abstained: None

Motion carried.

### **Projects**

#### **Everett Shipyard Cleanup & Central Marina Improvements Project**

##### **~ Upland Cleanup, Contract Close-Out**

Erik Gerking, the Port's Environmental Cleanup Administrator, reported that Port Staff is seeking Commission authorization to close out the contract with Clearcreek Contractors, Inc. for the Everett Shipyard Upland Cleanup Action contract.

Elise Gronewald, the Port's Environmental Remediation Specialist, reported that the upland cleanup contract included demolition, excavation and disposal of contaminated soil, backfilling and grading, site restoration and concrete rubble processing. The contract also included two additive bid items: 1) final demolition and site grading of the former Mall Building footprint, and 2) final demolition and site grading of the Scuttlebutt Building footprint.

Clearcreek received notice of substantial completion on December 9, 2013. Throughout the project, Port Staff issued two change orders. The first change order added 45 days to the contract time. The time extension was due to the need to do additional testing related to PCB contaminated soil. The final change order reduced the contractors contract by \$2,274.86 (without WSST) to reconcile the final contract amount. After completion of the project work, including both additives, unit price bid item over-runs and under-runs, the total cost of the project was \$1,800,742.01, including WSST.

Staff requests that the Commission accept the Everett Shipyard Upland Cleanup Action contract as complete, and authorize Staff to close out the contract with Clearcreek Contractors, Inc.

Commissioner Troy McClelland moved to accept the Everett Shipyard Upland Cleanup Action contract as complete, and authorized Staff to close out the contract with Clearcreek Contractors, Inc. in the final total amount of \$1,800,742.01, including WSST. Commissioner Bachman seconded the motion. A vote was called for:

Vote: 3-0  
Yes: McClelland, Bachman, Stiger  
No: None  
Abstained: None

Motion carried.

#### **~ Everett Shipyard Cleanup Site In-water Cleanup and Central Marina Improvements Project – Authorization to Bid**

Erik Gerking reported that Port Staff is seeking Commission authorization to solicit public works bids for the Everett Shipyard In-Water Cleanup & Central Marina Improvements Phase 1 Project. The project represents the final phase of the Everett Shipyard cleanup action. It is necessary for the Port to solicit public works bids at this time to ensure the successful contractor can execute the project within the scheduled timeframe of the 2014/2015 in-water work window. The project includes the following primary elements:

##### **Base Bid (Current Engineers Estimate \$5,500,000 including WSST)**

1. Demolition, including removal of the Port's haul-out and removal of approximately five docks;
2. In-water dredging, including dredging and disposal of approximately 11,000 cubic yards of contaminated sediment, some minor backfilling along the bulkhead area, and capping of two small areas of contaminated sediment located adjacent to the bulkhead;

3. Upland soil and groundwater cleanup, including removal of 3,500 cubic yards of petroleum contaminated soil located along the shoreline, backfilling and final site grading;
4. East Marina Bulkhead Segments A and B Replacement, including partial removal of the existing creosote treated timber bulkhead and replacement of 360 linear feet of vertical steel sheet pile bulkhead and associated tie back system. The steel sheet piles for this bulkhead are being procured separately. This also includes the installation of an interim asphalt public access trail adjacent to the wall.

**Additive Bid (Current Engineers Estimate \$650,000 including WSST)**

1. Public Viewing Platform, including the construction of a public viewing platform that is located in the north east corner of the Central Marina. The current engineers estimate for this item is \$350,000, including WSST;
2. City Combined Sewer Overflow Pipe Replacement, including relocation of the City's CSO, Puget Sound Outfall No. 2 (PSO-2). This item is funded 100 % by the City of Everett. The current engineers estimate for this item is \$300,000, including WSST.

The base bid is eligible for reimbursement under the Port's Ecology Remedial Action Grant at a rate of 50 percent of the Port's costs. A majority of the budget for the base bid was included in the 2014 budget, and the remaining balance was planned for the 2015 budget. The public viewing platform bid item was not budgeted for 2014, but may be budgeted for in the future 2015 budget or as an addendum to the 2014 budget. It is included in this project for Commission consideration as it would advance the redevelopment of the site and would take advantage of contractor mobilization efficiencies.

Funding for the Everett Shipyard cleanup project comes from the settlement with ESY, Inc. in the amount of \$4.1 million, Port funds, and the department of Ecology Remedial Action Grant Funds.

Commissioner Troy McClelland moved that the Commission authorize Staff to solicit bids for the Everett Shipyard In-Water Cleanup & Central Marina Improvements Phase 1 project. Commissioner Glen Bachman seconded the motion. A vote was called for:

Vote:	3-0
Yes:	McClelland, Bachman, Stiger
No:	None
Abstained:	None

Motion carried.

**COMMISSION PRESIDENT'S REPORT**

Commissioner Tom Stiger welcomed new employees Emily Hammer and Melissa Thovson to the Port Administration Office.

The Mill Town Swap Meet is scheduled for April 26, 2014 at the Marina.

On May 3, there will be an Opening Day of Boating ceremony at the party barge at the Marina.

**COMMISSION DISCUSSION**

Commissioner Troy McClelland asked for authorization from the Commission President for a call-in meeting on May 6, 2014 at 5:00 pm. Both Commissioner Bachman and Commissioner Stiger said that they would be present at the May 6<sup>th</sup> meeting.

Commissioner Stiger approved the call-in request for Troy McClelland.

**CITIZEN COMMENTS**

Jerry Simicich said that he attended the meeting when John Mohr announced his pending retirement. Mr. Simicich said in his capacity as liaison between the Everett Yacht Club and Port Staff, the Board of Trustees directed Jerry Simicich to read a statement honoring John Mohr as follows:

"On behalf of the Everett Yacht Club, we would like to formally take this opportunity to express our sincere appreciation for the support Executive Director John Mohr has provided us during his 17 years with the Port of Everett. The Everett Yacht Club has

experienced ups and downs over his tenure, but the one constant that we have appreciated is the support the Port has provided us under John's leadership. We would like to congratulate John and wish him and his family fair winds as he enters the next chapter of his life. Congratulations John."

THE REGULAR COMMISSION MEETING was recessed into Executive Session at 6:52 pm - to conclude by 7:25 pm. The purposes of the Executive Session were to 1) discuss with legal counsel the acquisition of real estate for which public discussion of the location and terms could disadvantage the Port's negotiations; and 2) a contract claim with a potential for litigation.

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 the conclusion of the Executive Session.

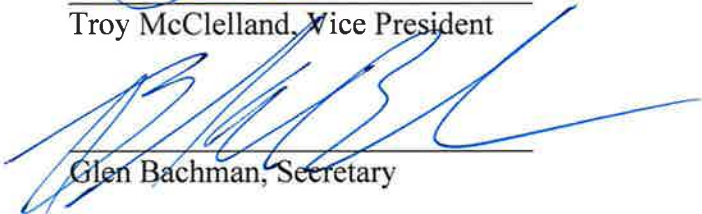
THE REGULAR COMMISSION MEETING WAS ADJOURNED at 7:25 p.m.

APPROVED: this 13<sup>th</sup> day of May, 2014.

EVERETT PORT COMMISSION

  
\_\_\_\_\_  
Tom Stiger, President

  
\_\_\_\_\_  
Troy McClelland, Vice President

  
\_\_\_\_\_  
Glen Bachman, Secretary

**ORIGINAL**



**Port of Everett  
Voucher Certification and Approval  
for the month of  
MARCH  
2014**

		<b>Total</b>
Claims Voucher Nos	69087 - 69361	\$1,971,416.95
Claims Electronic/Wire Transfers:		
3/14, 3/31	Electronic Transfer - Health Equity	\$ 2,349.82
3/3, 3/17	Electronic Transfer - IRS	\$ 153,941.82
3/26	Electronic Transfer - WA St Dept of Rev	\$ 35,003.39
<b>Total Claims</b>		<b>\$2,162,711.98</b>
Payroll Voucher Nos.	42568 - 42755	\$ 383,551.34
Payroll Wire Transfers:		
3/4, 3/11, 3/18, 3/25	PMA Payroll (Longshore Labor)	\$ 136,814.16
<b>Total Payroll</b>		<b>\$ 520,365.50</b>
<b>Total Expenditures</b>		<b>\$ 2,683,077.48</b>

I, the undersigned, do hereby certify under penalty of perjury that the material have been furnished, the services rendered or the labor performed as described herein, that any advance payment is due and payable pursuant to a contract or is available as an option for full or partial fulfillment of a contractual obligation, and that the claim is a just, due an unpaid obligation against the Port of Everett and that I am authorized to authenticate and certify to said claim. Authorize signature

Attest:  Port Auditor

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 April, 2014:

 President

 Vice President

 Secretary