

MINUTES OF EVERETT PORT COMMISSION
REGULAR MEETING
July 1, 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 July 1, 2014 was called to order at 5:00 p.m. by Commission President Tom Stiger.

There was no Consent Agenda.

1. EXECUTIVE DIRECTOR'S REPORT

Advanced Composite Materials

Executive Director John Mohr reported that last month, he told the Commission that the Port had been asked to participate in the Advanced Composite Materials proposal to the federal government and without objection, the Commission allowed the Port to move forward with a \$10,000 commitment to the application process. Subsequently, the Port has been asked by the State of Washington if it could increase that amount by another \$4,000. After performing some due diligence, John Mohr reported that the additional money is necessary and appropriate to complete the application process. The Port has been asked along with the other contributors from Snohomish County to increase the monies that are being made available for the completion of the federal grant application.

John Mohr added that if there is no objection from the Commission, Port Staff will go ahead and provide the additional \$4,000 to complete the grant application. Additionally, John Carter has indicated that the Port's expenditures for this grant application would be eligible for expenditure through the Industrial Development Corporation (IDC).

Port attorney Brad Cattle added that the transaction would have to be formally authorized through the IDC Commission.

There being no objections, the Commission authorized Port Staff to proceed as requested.

Waterfront Place Central

John Mohr announced that the Waterfront Place Central Comp Plan Amendment and Rezone application has now been filed with the City of Everett. A lot of work has gone into the application and Terrie Battuello gets a lot of credit for the leadership she has provided in moving this process forward.

September Commission Meetings

Executive Director John Mohr reported that the regularly scheduled Commission meeting falls on September 2, which is the day after Labor Day. John Mohr asked the Commission to consider an alternate date. Staff will bring the matter back at the next meeting for discussion.

IT Technician

Chief Finance Officer John Carter introduced Ryan Johnson as the new IT Technician. Ryan comes to the Port from the Snohomish County PUD and has a good background in supporting IT infrastructure.

2. DEPUTY EXECUTIVE DIRECTOR'S REPORT

Interlocal Joint Purchasing Agreement – City of Bellevue

Maija Lampinen, Port Staff, reported that RCW 39.34.030 allows cooperative purchasing between public agencies for the purpose of providing local governmental units the ability to make the most efficient use of their powers by enabling them to cooperate with other localities on a basis of mutual advantage. One of the provisions of RCW 39.34 requires

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that the Commission take appropriate action before any such agreement may enter into force.

The Interlocal Agreement with the City of Bellevue allows the Port to utilize all current and future City of Bellevue contracts that contain cooperative purchasing language. The Port initially intends to utilize one of the City of Bellevue's two Job Order Contracts (JOCs) with either Centennial Construction or Forma Construction to complete several Tenant Improvement (TI) projects within the Waterfront Center. By utilizing the City of Bellevue's JOC contract, the Port can expedite the TI work by at least one month, ensuring that the tenants are able to occupy their space as soon as possible.

The Interlocal Joint Purchasing Agreement is the first step in the Port being able to utilize Bellevue's JOC contract. At the July 8, 2014 Commission meeting, Staff will bring an Interagency Agreement between the City of Bellevue and the Port of Everett which will specifically enable the Port to piggyback on the City of Bellevue Job Order Contracts.

Staff recommends that the Commission authorize the Executive Director to sign the Interlocal Joint Purchasing Agreement with the City of Bellevue.

Commissioner Troy McClelland moved that the Commission authorize the Executive Director to sign the Interlocal Joint Purchasing Agreement with the City of Bellevue for the purpose of job order contracting as a stop gap measure. 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

Property Insurance Renewal

Chief Finance Officer John Carter reported that the Port purchases insurance through an eight port consortium managed by Alliant Insurance Services. The property portion of the insurance program renews on July 1 of each year. The renewal, with the selected coverage and all taxes and fees, is \$462,049.97. The overall estimated replacement value of the Port property increased to \$278 million (up 11.1%) while the premium rate per hundred dollars of value decreased by 5.3 % to \$.162 per hundred of valuation. The net increase in the property insurance premium from that paid in 2013 is \$24,282 (5.7%).

John Carter recommended that the Port Commission approve the Property Insurance renewal as presented.

Commissioner McClelland moved that the Port Commission approve the renewal of the Port property and crime policies as presented by Staff. Commissioner Bachman seconded the motion. A vote was called for:

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

Motion carried

4. DEPARTMENT REPORTS

Projects Update

WSDOT Rail Bank Loan – Modification

Chief of Engineering & Planning John Klekotka reported that in order to improve the Port's ability to move cargo, in 2013 the Port completed upgrades to the Dolphin Berth to accommodate large Ro/Ro vessels. However, the upgraded berth is limited by load capacity of the wharf. In order to provide for the heaviest possible Ro/Ro cargo, the Port also needs to further reinforce a portion of the wharf. This will be done by driving new piles through the deck of the wharf, building new pile caps under the wharf, and rehabilitating existing deteriorated concrete pile caps.

To fund the wharf upgrades, the Port has accepted a \$1,455,000 grant from the Washington State Department of Commerce, and to fund the adjacent rail upgrades, the Port has accepted a Washington State Department of Transportation (WSDOT) Rail Bank Loan in the amount of \$900,000. The cost of the wharf upgrades is estimated to cost \$2.6 million, so Staff has recommended – and the Washington State Legislature has approved – an additional Rail Bank Loan in the amount of \$911,175 to close the funding gap between the \$1.45 million Department of Commerce grant and the \$2.6 million estimated project cost.

The new loan from the Washington State Department of Transportation’s Rail Bank Program will be an amendment to the existing Rail Bank Loan No. RRB 1050 which was effective August 14, 2013. The original loan amount was \$900,000 which with the additional funding of \$911,175, will result in a new revised loan amount of \$1,811,175. This amount was approved by the 2014 Washington State Legislature.

The original loan carried a 1 percent administration fee of \$9,000, and the revised 1 percent administration fee will be \$18,117. The original loan’s scope of work was to upgrade and extend the on-dock rail to support a new roll-on/roll-off facility. The revised scope of work includes the original scope, plus strengthening of the existing South Terminal wharf.

The project completion date of June 30, 2015 has not been changed at this time. However, once the WSDOT Rail Office receives official notification of the re-appropriation of the funds, they will issue another loan amendment changing the end date of the project to June 30, 2016, and altering the beginning date of repayment from July 1, 2016 to July 1, 2017.

John Klekotka recommended that the Commission approve the modification to the existing WSDOT Rail Bank Loan and authorize the Executive Director to sign the modification to the loan agreement substantially as presented.

Commissioner Troy McClelland moved that the Commission accept a modification to the existing WSDOT Rail Bank Loan No. RRB 1050, and authorize the Executive Director to execute the proposed modification to the loan agreement as substantially presented in the form 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.

Marine Terminal Asphalt Upgrades 2014 Project – Contract Award

John Klekotka reported that much of the area at the Marine Terminals was paved 20 or more years ago. In order to continue with smooth and efficient terminal operations, and to minimize wear and tear on cargo handling equipment, ongoing pavement upgrades are necessary. Pavement overlays and patches have been performed throughout the Terminal areas in 2012 and 2013. In the 2014 budget, the Commission authorized a total project budget of \$640,000 for work to upgrade Terminal pavements. The planned focus for 2014 will be the South Terminal yard, with other minor work in Pacific Terminal.

In May, the Commission authorized Staff to solicit public works bids for the 2014 pavement upgrade work. On June 12, five bids were received, with the lowest responsive bid submitted by Fidalgo Paving in the amount of \$454,387.75, including Washington State Sales Tax (WSST).

John Klekotka requested that the commission award the public works contract for the 2014 Marine Terminal Pavement projects to Fidalgo Paving & Construction in the amount of \$454,387.75, including WSST.

Commissioner Glen Bachman moved that the Commission award the public works contract for the Marine Terminals Pavement Upgrades 2014 project to Fidalgo Paving & Construction, LLC in the amount of \$454,387.75, including WSST. Commissioner Troy McClelland seconded the motion. A vote was called for:

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

Motion carried.

COMMISSION PRESIDENT'S REPORT

John Mohr said that the Port received information from the City of Everett today that there is a closure of the Bond Street access to Pigeon Creek Trail. Apparently, discussions have been going on between the City of Everett and the BNSF Railroad to remove some safety concerns at that crossing. There will only be an access at Terminal Avenue down to the Pigeon Creek Trail as of July 2, 2014. Part of the construction was completed today, and the balance of the installation of fencing fabric will be added soon and a gate will be installed for the purpose of providing access for the rail crews down onto the trains.

COMMISSION DISCUSSION

John Mohr said that the Port received high compliments from a former Commissioner and the past commodore of the Mukilteo Yacht Club for the presentation that Jeff Lindhout made recently to the Mukilteo Yacht Club.

CITIZEN COMMENTS

There were no Citizen comments.


THE REGULAR COMMISSION MEETING was recessed into Executive Session at 5:34 pm - to conclude by 5:55 pm. The purpose of the Executive Session was to review the qualifications of applicants for public employment.

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 5:55 pm.

APPROVED: this 12th day of August, 2014.


EVERETT PORT COMMISSION



Tom Stiger, President



Troy McClelland, Vice President



Glen Bachman, Secretary