

MINUTES OF EVERETT PORT COMMISSION
REGULAR COMMISSION MEETING
July 8, 2014

PRESENT:

Tom Stiger	President
Troy McClelland	Vice President
Glen Bachman	Secretary
John Mohr	Executive Director
Robert Marion	Senior Accountant
G. Paul Carpenter	Port Attorney

ABSENT: Chief Finance Officer John Carter was absent due to out-of-country travel. Port attorney Brad Cattle was absent due to a scheduling conflict. G. Paul Carpenter of the Anderson Hunter Law Firm represented the Port as legal counsel.

Commissioner McClelland informed Staff that he would be late in arriving to the meeting – approximately 10 minutes late.

CALL TO ORDER: The Regular Commission Meeting of July 8, 2014 was called to order at 5:10 p.m. by Commission President Tom Stiger.

CONSENT AGENDA FOR JULY 8, 2014

- Approval of Regular Meeting Minutes of June 10, 2014; Approval of Special Meeting Minutes of June 17, 2014; and Approval of Annual Industrial Development Corporation Minutes of June 17, 2014
- Approval of Bills for June 2014

Commissioner Glen Bachman moved to approve the Consent Agenda for July 8, 2014. Commissioner Stiger seconded the motion. A vote was called for:

Vote: 2-0
Yes: Bachman, Stiger
No: None
Abstained: None
Absent: McClelland

Motion carried.

Commissioner Troy McClelland arrived at the meeting at 5:12 pm.

1. EXECUTIVE DIRECTOR'S REPORT

Special Meeting on July 24, 2014

Executive Director John Mohr said that the Port will be having a Special Meeting on July 24, 2014 to review the information developed by the Port's recruitment firm that is performing the recruitment for the Executive Director. The meeting will be held at 7:30 am on July 24 and will either be held in the Blue Heron Room or the Sandpiper Room of the Waterfront Center Facility. It will be a Special Meeting going into Executive Session at 7:30 am for the purpose of reviewing the report from the recruitment firm who has been hired by the Commission to identify candidates for Executive Director of the Port of Everett.

September Commission Meetings

John Mohr reported that the first Commission meeting in September is scheduled to be held on September 2 which is the day after Labor Day. In the past the Commission has given consideration to moving that meeting either to later in the week of the regular meeting or moving both meetings out a week.

Commissioner Troy McClelland said he would be out-of-town the week of September 15. John Mohr said that the Commission has on occasion moved the meeting to a different day in the first week, and in this case it would be September 3 or September 4.

Commissioner McClelland said he is on a business trip on September 16, but is available on September 3. Commissioner Bachman said he was available on September 3 also.

ORIGINAL

Commissioner Stiger noted that the meetings will be held September 3 and September 9, 2014. The Commissioners concurred.

Elise Gronewald

John Mohr said he was pleased to announce that Elise Gronewald has received her Certified Associate Project Management credentials from the Project Management Institute. Commissioner McClelland added that Elise should be very proud of her achievement.

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

Interlocal Agreement – JOC Contract

Les Reardanz reported that last week the Commission approved the Interlocal Agreement between the Port and the City of Bellevue to authorize the umbrella Interlocal Agreement that allows the Port to take the next step which is the actual Interlocal Agreement that would authorize the Port to use the \$700,000 of job order contracting that the City of Bellevue has open. This would allow the Port to use the JOC process with Centennial Construction as well as the Gordian Group so that the Port can start the tenant improvement work while the Port is getting its Port of Everett Job Order Contracting (JOC) process up and running.

Commissioner Stiger said that he was not totally convinced that the Port will save money with the JOC process and asked Port Staff to monitor the process moving forward.

Commissioner Troy McClelland moved that the Commission authorize the Executive Director to sign the Interagency Agreement with the City of Bellevue and authorize the Port to piggyback on the City of Bellevue's Job Order Contract with Centennial Construction Company. 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 Retreat Update

Deputy Executive Director Les Reardanz reported that Staff anticipates being able to bring back a gant chart schedule in September that shows Staff's progress on the various projects identified at the Commission Retreat.

The takeaways from the Commission Retreat were as follows:

- Develop a regulatory strategy. Staff has met internally and has prepared a framework on how to develop a regulatory strategy;
- Study and plan for developing a 1,000 foot berth. Staff has been working on developing courses of action, and are now in the process of reviewing and selecting a recommended course of action;
- Develop a financial analysis and business plan – the financial analysis is nearing completion and can be brought to the Commission in the next couple of months;
- Conduct a staffing review – HR Administrator Elizabeth Olson has been meeting with the Chiefs to get input on staffing needs;
- Portfolio of initiatives including a multiple year CIP and funding plan that goes along with it, and chartering, etc.

Port Staff is working on putting these takeaways into a flow chart so the Commission can see how the projects synchronize with the other big initiatives that are currently in process.

3. **ANNUAL PUBLIC ACCESS REPORT FOR 2013**

Director of Planning Graham Anderson provided the annual Public Access report to the Commission. The 2% for Public Access policy was enacted in 1988 and since that time, the Port has invested approximately \$4 million on qualifying 2% public access improvements – this does not include commercial projects that are public access in nature or maintenance and repair projects that improve public access features. Public access

improvements, including 2%, maintenance and capital projects through 2013 total approximately \$17 million.

The Port's 2013 Public Access projects included the Comprehensive Marina District Signage and Wayfinding Program, the Historical Interpretive Program and Jetty Island Beach Enhancement Program.

4. DEPARTMENT REPORTS

Properties

Properties Manager Taylor Nuccitelli reported that existing tenant Bluewater Distilling is expanding their business and will be moving into a space of 4,790 square feet in the Waterfront Center, nearly doubling in size from their previous leased area. Bluewater Distilling will be paying market rates. An expenditure in the amount of \$125,000 will be paid by the Port to bring utilities to the north side of the building which will improve the appeal of the remaining tenant spaces. In negotiating the new lease and in an effort to help Bluewater maintain cash holdings, the Port has modified and reduced the standard security deposit requirements. There will be a period of due diligence for both parties - the lease will be contingent on Bluewater Distilling achieving their own financing and the Port will evaluate the parking availability for the Waterfront Center.

The Properties group recommended that the Commission authorize the Executive Director to approve the Bluewater Distilling, LLC lease agreement substantially as presented.

Commissioner Stiger inquired if it would be a Job Order Contracting (JOC) project. Taylor Nuccitelli said that it will likely be a JOC project. The JOC is key in meeting the deadline for the project and what really helps the Port with doing Job Order Contracting is that the Port also has a few other prospects who are interested in the existing Bluewater space. Having them out in time for a new year gives the Port more opportunities to lease up the 2,500 square feet that they are vacating.

Commissioner Troy McClelland moved to authorize the Executive Director to approve the Bluewater Distilling, LLC lease agreement substantially as presented. Commissioner Glen Bachman seconded the motion. The vote was called for:

Vote: 3-0

Yes: McClelland, Bachman, Stiger

No: None

Abstained: None

Motion carried.

Forest Marketing Enterprises, Inc. Lease

Taylor Nuccitelli reported that Formark, a current customer of the Port's Marine Terminal, ships a large number of wood products through the Port of Everett. The Port has seen growth from 2,300,000 FBM in 2011 to 25,600,000 FBM in 2013. Formark, Inc. will occupy 2,990 square feet of office space for a 5-year lease term at market rates in the Bayview Building located on Bond Street. A \$20,000 expenditure is required to perform some light tenant improvement work for the leased area to better accommodate the tenant.

Commissioner Troy McClelland moved to authorize the Executive Director to approve the Forest Marketing Enterprises, Inc. lease agreement, substantially 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.

Projects Update
Everett Shipyard Cleanup, Construction Phase Engineering Services – Contract Modification

Environmental Cleanup Administrator Erik Gerking reported that a contract modification is needed to provide construction phase engineering services in 2014 for the Everett Shipyard Sediment Cleanup & Central Marina Improvement Phase 1 project. Some minor additional budget (\$14,500) is also needed for existing tasks to address additional out-of-scope project requirements incurred over the duration of the design phase services that could not be covered by the existing contract amount.

This modification adds new scope to the existing contract with Landau Associates for assisting the Port with the construction phase project requirements. The scope of work includes services that will be provided by Landau Associates and their expert sub-consultants to support specific project areas. The proposal covers engineering services for the remainder of 2014. The scope of work includes Construction Engineering Support, Construction Quality Assurance, Water Quality Monitoring and Soil Compliance Monitoring.

The contract for these services is estimated at \$421,600, which includes \$100,000 for sub-consultant services and \$50,000 in contingency on-call budget. Port Staff completed a thorough due diligence process, including a detailed internal review of the contract proposal and a third party peer review. The basic conclusion of this process is that Landau Associates' proposal is appropriate and necessary.

Funding for the Everett Shipyard Cleanup project comes from four sources: 1) the settlement with ESY, Inc. (\$4 million), 2) Port funds, 3) the Department of Ecology Remedial Action Grant Funds, and 4) the City of Everett for the re-construction of their combined sewer overflow pipe. Future Ecology grant rule changes may allow the Port to consider the Everett Shipyard settlement funds as eligible grant matching funds.

Erik Gerking recommended that the Commission approve of Modification No. 4 to the Professional Services Agreement with Landau Associates for the Everett Shipyard cleanup project in the amount of \$421,600.

Commissioner Troy McClelland moved that the Commission approve Modification No. 4 to the Professional Services Agreement with Landau Associates for the Everett Shipyard Cleanup project in the amount of \$421,600. Commissioner Bachman seconded the motion. A vote was called for:

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

Motion carried.

Travelift

Erik Gerking said that Staff has been working on establishing a new travelift route. Elise Gronewald has been working on this project to make sure that the Port has operational continuity when the 14th Street haul-out is decommissioned. Port Staff is working to make sure that there is access from the yacht basin haul-out to the boat storage yards.

COMMISSION PRESIDENT'S REPORT

Commissioner Stiger said that the Change of Command ceremony for the U.S.S. Nimitz was well attended and very impressive.

COMMISSION DISCUSSION

Commissioner Troy McClelland said that representatives from the Brookings Institute met recently with the Port, EASC and other Snohomish County representatives regarding economic development and job growth within the region.

CITIZEN COMMENTS

Commodore Doug Carmean of the Everett Yacht Club presented the Port Commission with a Shadow Box in recognition of the long time association between the Port of Everett and the Everett Yacht Club.

THE REGULAR COMMISSION MEETING was recessed into Executive Session at 6:34 pm - to conclude by 8:00 pm. The purposes of the Executive Session were to discuss with legal counsel 1) a potential litigation matter; 2) two current litigation matters; 3) the acquisition of real estate; and 4) to discuss the position to be taken by the Port Commission during the course of collective bargaining.

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 8:00 p.m.

APPROVED: this 12th day of August, 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
JUNE
2014

Claims Voucher Nos	69928 - 70245	Total	\$1,814,635.80
Claims Electronic/Wire Transfers:			
6/16, 6/30	Electronic Transfer - Health Equity	\$	2,558.39
6/02, 6/17	Electronic Transfer - IRS	\$	172,623.16
6/24	Electronic Transfer - WA St Dept of Rev	\$	58,092.08
6/2	Wire Transfer - Bank of New York Debt Service	\$	729,925.01
	Total Claims		\$2,777,834.44
Payroll Voucher Nos.	43146 - 43363	\$	416,907.91
Payroll Wire Transfers:			
6/3, 6/10, 6/17, 6/24	PMA Payroll (Longshore Labor)	\$	273,417.85
	Total Payroll	\$	690,325.76
Wire Transfers:			
6/5, 6/9, 6/19, 6/23, 6/24, 6/25	Wire Transfer - Bank of New York Investments	\$	12,643,583.65
	Total Payments		\$16,111,743.85

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 July, 2014:

 President

 Vice President

 Secretary