

MINUTES OF EVERETT PORT COMMISSION
REGULAR MEETING
July 7, 2015

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

CALL TO ORDER: Commission Vice President Glen Bachman called the meeting to order at 5:01 p.m.

Executive Director Les Reardanz announced that Commissioner McClelland received an important phone call just now and will be joining the meeting shortly.

1. **CEO/EXECUTIVE DIRECTOR'S REPORT**

August Commission Meeting

Les Reardanz reminded the Commissioners and public that the second August meeting has been canceled. A single meeting will be held on August 4, 2015.

Events

On July 9, a Marina tenant celebration will be held at 11:30 am, including a BBQ and music. Later that same day, the grand opening celebration of the Waterfront Place project office will be held in concert with the Economic Alliance Snohomish County (EASC) sponsored Port Report beginning at 4:00 pm. In addition, a harbor cruise will be available at 6:30 pm.

American Association of Port Authorities (AAPA)

Les Reardanz said that Port Staff has received word from AAPA that their annual convention is the first week of November which is in conflict with the Port's first regular commission meeting. Les Reardanz suggested that the Commission may want to consider moving the meetings out a week so that Port Staff can participate in this important event.

Staff will bring the matter back before the Commission at next week's meeting.

Awards

The Port of Everett is the proud recipient of two awards from AAPA; one is for the Interpretive Program which received an Award of Excellence and 1st place, and then the Port received an Award of Distinction for the new Web Site which is 2nd place. Les Reardanz thanked Staff and the Port's former Executive Director for leading the effort on the Interpretive Program. The awards will be presented at the Annual Convention in Miami in November.

Portside

The Portside has been mailed and is out on the streets.

Jetty Island

Jetty Island opened over the weekend.

Signage

Way finding signs have come in and signs from I-5 to the waterfront are scheduled to be installed in the next couple of weeks. Other way finding signs will be installed shortly thereafter.

Legislative Update

State

Director of Public Affairs Lisa Lefebber reported that the State Legislature delivered a compromised proposed capital budget which is something that Port Staff has been tracking closely because that is what contains the remedial action

grants for the Port's cleanups. The compromise budget has \$65 million in remedial action grants. The need was for \$20 million to ensure that the Port's \$7 million in projects got funded. If everything tracks as planned, the Port of Everett's projects should be funded. There is \$200 million in re-appropriated grant dollars that are already on the books, and this budget only assumes 20 percent burn rate of those dollars, so there is always a risk that the projects will burn through that money faster than the 20 percent rate, that it could start eating into the \$65 million that was allocated this biennium. Port Staff plans to meet with Ecology to try to get this confirmed.

On other capital budget news, it appears that there is \$1 million included for Marine Terminal Rail Investments which is the name of the Port of Everett's project. However, the notation does not say who the recipient is for those investments. Staff will keep the Commission apprised. The Mukilteo Tank Farm Cleanup received \$250,000 in the capital budget compromise bill which is something for which the Port advocated.

The University Center for Washington State University received \$54 million to do University Center, and the Everett Family YMCA received \$2 million toward its capital project in the budget.

The Legislature passed the operating budget first, but it was contingent on the legislature voting to delay implementation of the class size bill, I-351. The vote to delay to implement that failed by 5 votes, so that is still on the table. Three items have to be reconciled before the legislature can actually adjourn its third special session. They have to pass the Geo Bond Bill, they have to pass and ratify the transportation budget, and they have to act on I-351.

The transportation budget fully funded phase 1 and 2 of our 41st Street Freight Corridor. It also had a significant amount of investments in the Hardeson Road Interchange which was one of our freight priorities, as well as SR529 and I-5 in Marysville.

The legislature also passed the Marine Tourism legislation which has been in the works for four years. Super yachts that are LLCs and 78 feet and above can currently only stay in Washington waters for 60 days without getting taxed 10 percent of the value of their boat. Recent legislation changed the 60 days to 180 days.

Federal

Lisa Lefebber reported that on June 30, 2015 Ex-Im Bank expired. Ex-Im Bank was enacted in 1934, and this is the first time it has ever lapsed. Ex-Im Bank is a critical financing mechanism which helps to finance aerospace and agricultural type machinery that transfers through the Port.

The Trade Promotion Authority passed in June which is a big step to help increase trade and cargo flow throughout the United States.

Marina Update

Marina Director Jeff Lindhout reported that at the Marina, it was probably one of the nicest 4th of July holidays in many years. The Marina was full of activity, and it was a record breaking weekend in terms of boating. Last year, 360 boats checked in at the guest docks over the 3-day period; this year the Marina had 433 boats check in and 164 checked in over the 4th itself. No major incidents and no injuries were reported. The Mukilteo Yacht Club was involved who had 94 members at the Marina for dinner and utilized the newly upgraded activity float. The Everett Yacht Club was at the Marina as well.

Staff received a lot of great compliments on the Port's security and staff. Crabbing was reported as being bountiful. One of the guests who stayed over the weekend will be moving his 48 foot boat here for permanent moorage. It was a great weekend with sunny weather and everybody enjoyed themselves.

2. CHIEF FINANCE OFFICER'S REPORT

Intergovernmental Cooperative Purchasing Agreement with the City of Everett

Contracts and Procurement Administrator Maija Lampinen reported that the Port of Everett and City of Everett would like to establish an intergovernmental cooperative purchasing agreement. The agreement will establish the ability for either agency to use each other's eligible contracts in the future for operational needs as well as disaster recovery.

RCW 39.34 requires that the originating entity competitively bid the contract and include language allowing for other entities to utilize the contract. Cooperative contracts extend the same pricing and terms of the originating agencies contract to the agency piggybacking on the contract. Benefits of cooperative purchasing are leveraging volume (economies of scale), delivery and supply chain advantages, best practices and reduction of administrative time and expense.

To utilize a particular contract, the procurement department will obtain copies of the solicitation documents, advertisements, award documentation and contract to ensure that it meets the Port's contracting requirements. Once the contract has been approved for use, the Port would work directly with the vendor to place the order. In the event of an emergency, the Port would most likely place the order with the vendor first and perform the due diligence after the fact.

Maija Lampinen recommended that the Commission approve the Intergovernmental Cooperative Purchasing Agreement with the City of Everett and authorize the Executive Director to sign the agreement.

Commissioner Tom Stiger moved to approve the Intergovernmental Cooperative Purchasing Agreement with the City of Everett and authorize the Executive Director to sign the agreement. Commissioner Glen Bachman seconded the motion. A vote was called for:

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

Motion carried.

Intergovernmental Cooperative Purchasing Agreement with Snohomish County

Maija Lampinen reported that the Port of Everett and Snohomish County would like to establish an intergovernmental cooperative purchasing agreement. The agreement will establish the ability for either agency to use each other's eligible contracts in the future for operational needs as well as disaster recovery.

RCW 39.34 requires that the originating entity competitively bid the contract and include language allowing for other entities to utilize the contract. Cooperative contracts extend the same pricing and terms of the originating agencies contract to the agency piggybacking on the contract. Benefits of cooperative purchasing are leveraging volume (economies of scale), delivery and supply chain advantages, best practices and reduction of administrative time and expense.

To utilize a particular contract, the procurement department will obtain copies of the solicitation documents, advertisements, award documentation and contract to ensure that it meets the Port's contracting requirements. Once the contract has been approved for use, the Port would work directly with the vendor to place the order. In the event of an emergency, the Port would most likely place the order with the vendor first and perform the due diligence after the fact.

Staff recommends that the Commission approve the Intergovernmental Cooperative Purchasing Agreement with Snohomish County and authorize the Executive Director to sign the agreement.

Commissioner Tom Stiger moved to approve the Intergovernmental Cooperative Purchasing Agreement with Snohomish County and authorize the Executive Director to sign the agreement. Commissioner Glen Bachman seconded the motion. A vote was called for:

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

Motion carried.

Property Insurance Renewal

CEO Les Reardanz reported that the Port purchases insurance through an eight port buying group managed by broker Alliant Insurance Services. The property and crime portions of the insurance program renews on July 1 of each year. The renewal with the selected coverage and estimated taxes and fees for 2015 is \$462,754. The overall estimated replacement values of the Port property increased to \$291 million (up 4.6%) while the premium rate per hundred dollars of value decreased by 4.3%. The net increase in the insurance premium from that paid in 2014 is just over \$500.00.

Les Reardanz recommended that the Port Commission approve the renewal of the Port property and crime policies as presented by Staff.

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

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

Motion carried.

3. **DEPARTMENT REPORTS**

Marine Terminals – Reachstacker Acquisition Closeout

Chief Operating Officer Carl Wollebek reported that in June 2014, the Port Commission authorized the Executive Director to sign a contract with Pap'e Material Handling for the purchase of 3 x Hyster Model RS 45-46 Reachstackers and trade in the Port owned Linde Reachstacker Model C4531TL5 serial # E1X35T00056. Also included with the package was the purchase of a Mobile Harbor Crane. The trade-in value for the Linde Reachstacker was \$145,000.00.

Staff requests that the Commission accept the reachstacker purchase and trade as complete and authorize the Executive Director to close out the contract with Pap'e Material Handling in the amount of \$1,633,927, plus Washington State Sales Tax (WSST).

Commissioner Tom Stiger moved that the Commission accept the reachstacker purchase and trade in as complete and authorize the Executive Director to close out the contract with Pap'e Material Handling in the amount of \$1,633,927 plus WSST. Commissioner Bachman seconded the motion. A vote was called for:

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

Absent: McClelland

Motion carried.

Carl Wollebek added that the Mobile Harbor Crane that was part of the package that the Commission approved is still being worked on with the addition of an external power supply. It is under substantial completion but not final completion. Staff will bring the matter back before the Commission in a few weeks.

Properties

ArrowCat Lease

Properties Manager Taylor Nuccitelli reported that ArrowCat Marine is an existing tenant seeking a lease renewal and expansion from the lease agreement that expired in March 31, 2015. ArrowCat needs the additional square footage to support the production of their 40+ foot catamaran yachts. This will be the second time that ArrowCat has expanded with the Port since 2012.

Taylor added that with Commission approval, ArrowCat Marine will be leasing 4,317 square feet of shop space at the Waterfront Center. They will be continuing to pay their current market lease rate of \$9.36 per square foot with 3% annual increases. This three year Lease has language that provides flexibility to allow ArrowCat to expand in the future. This Lease also includes Boat Yard Stall #1 for \$350 per month year-round to the Marina Program. The Security Deposit of \$5,265 will be carried through to the new agreement. Port Staff is recommending this lease for approval with the inclusion of Boat Yard Stall #1.

Taylor Nuccitelli asked the Commission to authorize the Executive Director to approve the ArrowCat Marine Lease agreement, with the existing security deposit and leasehold including Boat Yard Stall #1 substantially as presented.

Commissioner Tom Stiger moved to authorize the Executive Director to approve the ArrowCat Marine Lease agreement, with the existing security deposit and leasehold including Boat Yard Stall #1, substantially as presented. Commissioner Glen Bachman seconded the motion. A vote was called for:

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

Motion carried

Burlington Northern Santa Fe/Port of Everett Overpass Agreement

Port attorney Brad Cattle reported that the Overpass Agreement is with Burlington Northern Santa Fe Railroad, and the subject location for the Overpass is at the Riverside Business Park. It is currently a private Overcrossing that the Port inherited from Weyerhaeuser when the property was acquired. The private Overcrossing agreement that currently exists allows for commercial access but not public access.

The Port and City of Everett have entered into the General Transfer Agreement that was effective on June 10, 2014, and Exhibit 2 to the General Transfer Agreement (GTA) was an example of the Overcrossing Agreement. The GTA allows for different facilities at the Riverside Business Park to be turned over to the City of Everett – to be owned and maintained by the City – including the Overcrossing. The Overcrossing Agreement is to be executed by and between Burlington Northern and the Port of Everett, and that Overcrossing Agreement allows for a throw fence to be constructed. The Overcrossing Agreement governs the transition of construction of the throw fence, and then when the throw fence is constructed, then the parties will execute Exhibit B to the Overcrossing Agreement which is the Easement Agreement. The Easement Agreement has

been drafted so that the City of Everett will sign it and Burlington Northern will sign it, and at that point the Overcrossing will be transferred from the Port of Everett to the City of Everett, and a significant component of the GTA will be implemented and the Port will be transferring the Overcrossing to the City. The City will then have full responsibility for the Overcrossing including maintenance. Getting the throw fence attached to the Overcrossing is the responsibility of the Port of Everett.

Brad Cattle stated that at the next Commission meeting, Port Staff will bring back the Overcrossing Agreement that will include all of the exhibits. Port Staff will be seeking Commission approval and authorization for the Executive Director to sign the agreement.

Commissioner Troy McClelland arrived at the Port Commission meeting at 5:50 p.m.

Projects

Central Marina Improvements Phase II – Contract Award

Project Manager Brandon Whitaker reported that the Commission authorized Staff to solicit public works bids for the Central Marina Improvements Phase 2 – I-Dock and Bulkhead Segment C project on May 12, 2015. The Port received five bids for the project.

The project represents the second phase of the Central Marina Improvements strategy. Award of the bid at this time is critical to ensure the successful contractor can execute the project within the scheduled timeframe of the 2015/2016 in-water work window. The scope of the project includes:

- New Central I-Dock system – including removal of the existing I-Dock
- Boathouse Realignment and Organization;
- New Bulkhead Segment C
- Dock Removal

Staff has evaluated the bids received and determined that Bergerson Construction submitted the lowest responsive bid and is a responsible bidder.

Brandon Whitaker recommended that the Commission authorize award of the public works bid for the Central Marina Improvements Phase 2: I-Dock and Bulkhead Segment C project including Schedules A, B, C and E to Bergerson Construction in the amount of \$5,205,159.96, including WSST.

Commissioner Glen Bachman moved to authorize award of the public works bid for the Central Marina Improvements Phase 2: I-Dock and Bulkhead Segment C project including Schedules A, B, C and E to Bergerson Construction in the amount of \$5,205,159.96, including WSST. Commissioner Tom Stiger seconded the motion. A vote was called for:

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

Motion carried.

Dunlap Bulkhead Rehabilitation – Authorization to Bid

Chief of Engineering & Planning John Klekotka reported that the Dunlap Towing site bulkhead, built in the 1970s, is in need of several renovations. The scope of work for the project includes rehabilitating the existing steel waler beam which connects the tie-back anchors to the wall, renovating the existing outfall manhole, compaction grouting, fender pile replacement, utility replacement, and repaving.

Port Staff requests the Commission authorize Staff to solicit public works bids for the Dunlap Bulkhead Renovation project.

Commissioner Glen Bachman moved that the Commission authorize Staff to solicit public works bids for the Dunlap Bulkhead Renovation project. Commissioner Stiger seconded the motion. A vote was called for:

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

Commission President's Report

Commissioner Troy McClelland noted that the Port should be comfortable in that it made significant progress with the Legislature to get critical infrastructure in place to create economic development.

Commission Discussion

Commissioner Bachman mentioned that Terrie Battuello and Taylor Nuccitelli will be attending at the ICSC conference to try to achieve some tenancies other than commercial and residential.

Commissioner Bachman said that a couple of weeks ago, he, Commissioner Stiger, Les Reardanz and Lisa Lefeber attended the Pacific N.W. Waterways Association summer conference at Hood River, Oregon.

Commissioner Stiger reported that the first phase of the removal of the government pier has begun at the Mukilteo Tank Farm

Commissioner McClelland said that he will be on business travel next week, but will be available to call in for participation in the meeting. An item to discuss next week is whether or not to cancel the November 3rd Commission meeting and have a special meeting on November 17 in order for Port Staff to be able to attend the American Association of Port Authorities (AAPA) Annual Convention that is being held in Florida.

Citizen Comments

There were no Citizen comments.

THE REGULAR MEETING was recessed into Executive Session at 6:12 p.m. for approximately 30 minutes - to conclude by 6:45 p.m. The purposes of the Executive Session were to discuss with legal counsel the acquisition of real estate, for which public discussion could disadvantage the Port's negotiations; and to consider the negotiations concerning real property which may be leased or sold when public discussions would disadvantage the Port.


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 MEETING WAS ADJOURNED at 6:45 p.m.


APPROVED this 4th day of August, 2015.

EVERETT PORT COMMISSION

By: _____
Troy McClelland, President



Glen Bachman, Vice President



Tom Stiger, Secretary