

MINUTES OF EVERETT PORT COMMISSION
SPECIAL MEETING
November 16, 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: The Special Commission Meeting of November 16, 2015 was called to order at 5:32 p.m. by Commission President Troy McClelland.

CONSENT AGENDA

- Approval of Regular Meeting Minutes of October 6, 2015; and Regular Meeting Minutes of October 13, 2015
- Approval of Bills for October 2015

Commissioner Tom Stiger moved to approve the items of the Consent Agenda. Commissioner Glen Bachman seconded the motion. A vote was called for:

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

Motion carried.

1. CEO/EXECUTIVE DIRECTOR'S REPORT

December Meetings

CEO/Executive Director Les Reardanz reminded the Commission that the meeting for December 1 has been cancelled. The Port will hold a single meeting on December 8, 2015.

Holiday on the Bay

Holiday on the Bay is scheduled for Saturday, December 5, 2015 at the North Marina.

Japan Trip

Les Reardanz said he just returned from Japan over the weekend and reported that he and Carl Wollebek would provide a joint report to the Commission at the December 8th meeting. Les Reardanz said that he, Walter Seidl and Carl Wollebek attended meetings with Westwood, ECL and ports of Hiroshima and Nagoya.

2. CHIEF FINANCE OFFICER'S REPORT

Health Benefits

Chief Finance Officer John Carter provided a briefing on health benefits to the Commission. Port Staff works closely with a medical benefits committee to work toward consensus relative to the medical insurance plans that the Port would offer to its employees, including medical, dental, vision and life insurance and disability insurance. The Port does not have a full consensus from the medical benefits committee regarding the renewal of the medical plan. The medical plan itself will need to have a decision made so that the employees can have an open enrollment period which would start on December 1.

Given the fact that the committee is still working on a consensus as to which medical plan to choose, Staff is asking the Commission to consider delegating the authority to sign the agreement relative to the medical plan to the Executive Director within the limits that are being approved in the 2016 budget. The 2016 budget contains a total benefit cost including all insurance plus mandated taxes such as social security and L&I, a total benefit cost of \$3,670,816 which is a 1-1/2 percent increase over the 2015 budget.

Commissioner Tom Stiger moved to authorize the Executive Director to sign the agreement relative to the health benefits (medical plan) within the limits of the 2016 Budget. Commissioner Bachman seconded the motion. A vote was called for:

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

Motion carried.

3. 2016 CONSOLIDATED BUDGET

At 5:36 pm, Commissioner Troy McClelland continued the public hearing from November 10, 2015 to hear comments on the 2016 Operating Budget, the 2016 Capital Improvement Budget and the 2016 Property Tax Levy.

Chief of Finance John Carter reported that Port Staff have not received any emails, phone calls or comments from the website pertaining to the 2016 budget process.

Commissioner Troy McClelland asked for public comments. There were no public comments.

Commissioner McClelland closed the public hearing at 5:38 pm.

4. BUDGET APPROVAL

Commissioner McClelland announced that this meeting is the last in a series of six different budget meetings which culminated in a presentation last week with the resolutions being delivered to the Commission on the 10th of November. CEO Les Reardanz said all of the resolutions have been posted to the Port's website, as well as the Citizen Budget Guide.

Resolution No. 1037 – 2016 Property Tax levy

Commissioner Glen Bachman moved that the Commission adopt Resolution No. 1037 levying the regular property tax levy on property within the boundaries of the Port of Everett District for fiscal year commencing January 1, 2016. Commissioner Tom Stiger seconded the motion.

Commissioner McClelland opened the matter for Commission discussion. Commissioner Stiger said his comments were about transparency. A lot of time and effort went into the budget process and the Budget Guide itself. In the last couple of years, Staff has done an outstanding job in producing budget documents and the Budget Guide.

Commissioner Bachman said he was in favor of maintaining this type of transparency in the budget process. Commissioner McClelland said he was also pleased with the Budget Guide because it is a reference that is very useful in speaking with constituents. Commissioner McClelland would like to continue this effort.

Commissioner Stiger said for the year 2016, there will be substantial need and he has no problem with the Property Tax Levy. Commissioner Stiger asked if the 1 percent increase could be addressed by a separate resolution. John Carter said that Resolution No. 1037 is in a structural format that the State Department of Revenue has asked port authorities to file with the counties. The format that the Port has mandates that the Port have a specific dollar amount of levy. The dollar amount in this particular case includes the 2015 levy, plus 1 percent which is allowed by law, plus the valuation of newly assessed property plus an amount for refunds. So the total amount that is listed in the resolution is an aggregate amount that is shown.

Commissioner Stiger asked if by amendment the Property Tax Levy could be separated from the 1 percent increase, i.e. two separate resolutions. John Carter said that Resolution No. 1037 is passing a tax levy amount in aggregate, and in that, the Port has to stipulate any increase over last year's levy. Resolution No. 1038 is used as a Substantial Needs resolution, which is used in two different situations: 1) if you chose not to levy the 1 percent and you wanted to bank that ability to add that to the levy in future years, you

would need to pass that resolution; or 2) in the situation where the inflation rate was less than 1 percent like it was last year; those are the two situations you need to protect the tax capacity, or to levy the 1 percent when the inflator is below 1 percent. Resolution No. 1039 passes the entire budget which gives authority for the Port to spend that money over the next fiscal year.

Going back to Resolution No. 1037, the numbers would have to be modified in each of the paragraphs, but the levy would be reduced by the \$45,369.12, and the amount would be changed to whatever amount of increase you chose below that number, and then you would calculate the percentage of increase.

Commissioner Stiger said he questions the word “substantial” in terms of how someone interprets that term, but there is definitely a need in 2016 and using the Budget Guide as a basis, the Marine Terminals represents almost 70 percent of the revenue at the Port. In the 2016 budget, Staff has indicated a 4 percent decline in Marine Terminal revenues.

Commissioner Stiger said that on the expense side, the Administration should tighten its belt and cited several different scenarios. The Port knows that the revenues will be down so Staff needs to take a look at the expenses. John Carter said that none of the Administrative costs are paid for through property taxes. The Port isolates the property taxes to pay for environmental remediation projects and public amenities.

Commissioner Stiger said that the need is there and he would support the tax levy; however, Staff should look at ways to tighten the Administrative budget.

Commissioner Bachman said that Everett tries to be internally Everett. Everett has tried to do things internally for many years with only Everett resources which is a mistake. Everett should consider outside consultation advocacy, and said that he does not see anything wrong with the proposed budget.

Commissioner McClelland agreed with some of the principles that Commissioner Stiger addressed in that the Port needs to continue to address year over year expense growth vs. year over year revenue growth. Commissioner McClelland said he was supportive of the budget and the 1 percent increase in the tax levy. For the placeholders in the budget, they are not tied to a specific capital budget, and if we don't find a need to use them, Commissioner McClelland said that he was confident that the Port would not spend the money.

The vote was called for:

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

Resolution No. 1038 – Substantial Need for Property Tax Levy

Commissioner Glen Bachman moved that the Commission adopt Resolution No. 1038 substantially as presented. Commissioner Stiger seconded the motion.

A vote was called for:

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

Resolution No. 1039 – 2016 Operating Budget and Capital Budget

Commissioner Glen Bachman moved that the Commission adopt Resolution No. 1039 substantially as presented. Commissioner Stiger seconded the motion.

A vote was called for:

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

5. **CHIEF, LEGAL AFFAIRS REPORT**

Resolution No. 1040 – Governing the Reimbursement and Payment of Travel Expenses and Superseding Resolution Nos. 756 and 621

Chief of Legal Affairs Paul Brachvogel reported that Resolution No. 1040 proposes to update the Port's policies concerning employee reimbursement to be consistent with the Commission's prior action (Resolution No. 1035) allowing employees' use of procurement cards; and, it authorizes and limits per diem reimbursement to employees for expenses incurred during travel as opposed to requiring proof of actual expenses incurred through delivery of receipts from business related travel. These changes will ease administrative time administering payment of expenses and are authorized by law.

Commissioner Glen Bachman moved to adopt Resolution No. 1040 which authorizes reimbursement and payment of travel expenses for Port employees. Commissioner Tom Stiger seconded the motion. A vote was called for:

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

6. **DEPARTMENT REPORTS**

DHS Round 13 Alternate Power & Surveillance Gaps, Re-Bid Contract Close-Out

Project Manager Steve Hager reported that a recent analysis of Port readiness for disaster response, recovery and resumption of trade has identified a need for alternate power supplies to keep necessary security and operational assets functioning. Alternate power in the form of generators and automatic transfer switches were supplied at the Waterfront Center – for the server room and cameras, TWIC Security Building, Chill Facility – server room and south second floor office lighting and cameras – Truck Scale Shack, Radiation Portal Monitor and the Maintenance Building. Battery backup or generator connections were provided for the cameras at Anthony's, the Conference Center, Cement Dome, Pier 1 and Pier 3.

Surveillance Gaps

Recent analysis and operational experience with the current CCTV system identified vulnerabilities within the Marine Terminal and the Marina. Installation of a new PTZ camera and relocation of an existing camera, together with backup power, will provide the necessary additional security at the Marine Terminals.

Three new PTZ cameras were installed in the Marina along with backup power at the existing cameras at Anthony's and the Waterfront Center.

Due to the close relationship between these two grants due to the need of backup power for cameras, they were treated as a single agenda item. To save costs, Port Staff utilized Purchasing Cooperatives to acquire generators and cameras for installation by the contractor. The project was completed on time and under budget with minor change orders.

Staff recommends that the Commission accept the Alternate Power & Surveillance Gaps project as complete and authorize Staff to close out the contract with ELCON Corporation in the final total amount of \$78,423.58, including Washington State Sales Tax (WSST).

Commissioner Glen Bachman moved that the Commission accept the Alternate Power & Surveillance Gaps project as complete and authorize Staff to close out the contract with

ELCON Corporation in the final total amount of \$478,423.58, 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.

COMMISSION PRESIDENT'S REPORT

Commissioner McClelland commented that the Governor will be in Snohomish County tomorrow presenting the elements of the State Transportation Package, and the Port of Everett will have a chance to say a few words.

COMMISSION DISCUSSION

Commissioner Glen Bachman reported that currently, the Everett Historic Theater is holding a housing forum.

Also, all Commissioners will be attending the Washington Public Ports Association (WPPA) annual meeting this week.

Les Reardanz said that Port Staff will be participating with WPPA Friday afternoon in a small meeting with Governor Inslee regarding Model Toxics Control Act (MTCA) funding, and the stop gap measure for next year's budget about trying to bond against the State's construction fund to make up the difference in the MTCA funding. Port Staff will be participating in that meeting along with the ports of Seattle, Tacoma, Bellingham and WPPA.

CITIZEN COMMENTS

There were no Citizen comments.

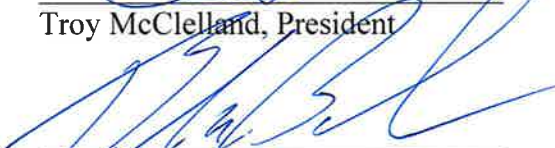
No Executive Session was held.

THE REGULAR COMMISSION MEETING was adjourned at 6:42 p.m.

APPROVED: this 8th day of December, 2015. EVERETT PORT COMMISSION



Troy McClelland, President



Glen Bachman, Vice President



Tom Stiger, Secretary



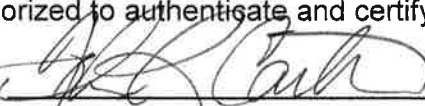
Port of Everett

ORIGINAL


Port of Everett
Voucher Certification and Approval
for the month of
OCTOBER
2015


		Total
Claims Voucher Nos	75043 - 75412	\$4,041,658.54
Claims Electronic/Wire Transfers:		
10/15, 10/30	Electronic Transfer - Health Equity	\$ 2,599.47
10/1, 10/16	Electronic Transfer - IRS	\$ 187,017.06
10/26	Electronic Transfer - WA St Dept of Rev	\$ 56,352.98
	Total Claims	\$4,287,628.05
Payroll Voucher Nos.	46598 - 46813	\$ 460,497.56
Payroll Wire Transfers:		
10/6, 10/13, 10/20, 10/27	PMA Payroll (Longshore Labor)	\$ 211,245.84
	Total Payroll	\$ 671,743.40
Wire Transfers:		
10/8	Wire Transfer - Bank of New York Investments	\$ 1,011,087.78
10/14	Wire Transfer - Hirofumi Oshio	\$ 4,114.63
10/29	Wire Transfer -Giftpoint International Wire f/Serv	\$ 1,705.50
Total Payments		\$5,976,279.36


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 10th day of November, 2015:

 _____ President

 _____ Vice President

 _____ Secretary