

MINUTES OF EVERETT PORT COMMISSION
REGULAR MEETING
December 8, 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 President Troy McClelland called the meeting to order at 5:05 p.m.

CONSENT AGENDA

- Approval of Regular Meeting Minutes of November 10, 2015; and Special Meeting Minutes of November 16, 2015
- Approval of Bills for November 2015

Commissioner Tom Stiger said he noticed that there were several refunds in the vouchers for overpayments on terminated accounts and inquired if the refunds were for moorage refunds. Chief Finance Officer John Carter said the Marina bills every two months, and if a Marina customer terminates their moorage within a two month period, the Port refunds the customer for the unused balance.

Upon discussion, 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. OATH OF OFFICE

Troy McClelland

Port attorney Brad Cattle swore in and administered the oath of office to Troy McClelland who will be serving a six-year term in Commissioner District 1 for the Port of Everett. This will be Commissioner McClelland's second term.

2. CEO/EXECUTIVE DIRECTOR'S REPORT

Declaration of Emergency

Executive Director Les Reardanz reported that in compliance with the Delegation of Authority adopted by the Commission on January 6, 2015, the Executive Director is authorized to declare an emergency when a situation exists that will present a real, immediate threat to the proper performance of essential functions that will result in material loss or damage to property if immediate action is not taken. Further, the Executive Director waives the competitive bidding requirements and authorizes the award of all necessary contracts to address the emergency situation.

The emergency situation is the result of an unforeseen wind and rain storm that occurred on Tuesday, November 17, 2015. The Everett waterfront received sustained winds and rain over a period of eight hours with gusts over 58 miles per hour.

The Port sustained widespread damage, including damage to fender pile systems at the Seaport, loss of a large portion of the Conference Center roof, damage to landscaping, signage, buildings and dock systems. The Port does have insurance and at this point, the Port is claiming the damages as one incident.

Japan Travel

Les Reardanz reported that he, Carl Wollebek and Walter Seidl traveled to Japan in November 2015 to attend meetings with Westwood, Sumitomo Warehouse, ECL, ports of Hiroshima and Nagoya, Mitsubishi, Boeing and Commercial Airplane Co. and others. The group also attended an event in celebration of 10 years of service to the Port of Everett by ECL. Les Reardanz read a letter that the Port received from Bill Christ, the Executive Vice President and Chief Operating Officer from ECL, indicating what an honor it was that the Port of Everett has recognized 10 years of service by ECL in making regular vessel calls to the Port. A copy of the letter is attached hereto as part of the record.

United Way Campaign

Staff received a letter from Marcia Storer, Campaign Executive for United Way, congratulating the Port and Kristelle Hezel for her leadership in this year's annual giving campaign. The Port raised \$8,919 for United Way. Ms. Storer added that she was nominating Kristelle for the Positive Change Award as the number of Port employees participating increased by 50 percent over past years. A copy of the letter is attached hereto as part of the record.

Health Benefits

The Port has agreed with the Union for 2016 to maintain the same health benefits through Group Health as last year. Enrollment will start soon.

Commissioner Committee Assignments

Les Reardanz asked the Commissioners to consider what organizational committees they would like to serve in 2016. Staff will follow up with the Commissioners during the first meeting in January.

Legislative Agenda

Lisa Lefeber, Public Affairs Director, provided a brief report on the state and federal legislative agendas.

State

Snohomish County successfully received \$664 million for projects in the Transportation Package Connecting Washington that passed the legislature last session. A primary project is the 41st Street Freight Corridor First/Last Mile Connector. Commissioners McClelland and Bachman had the opportunity to attend Governor Inslee's celebration to promote the Connecting Washington package of which the 41st Street Freight Corridor was featured. The first phase of this project is expected to begin in the 2016 timeframe.

For the Model Toxics Control Act (MTCA) funding, the Port currently has \$3.8 million for the next biennium to work on the Mill A cleanup project and East Waterway. The February forecast could affect those funding levels. The MTCA account will be a primary focus for next session, as well as exploring opportunities for grant funding for the historic Weyerhaeuser Building rehabilitation.

Federal

On the federal side, Congress passed and the President signed a \$305 billion Surface Transportation Bill. Like the state's transportation package, the national transportation package is freight focused as well. There is \$11 billion for freight programs through FAST. One of the primary reasons and functions of the legislation is to help address some of the at-grade issues which will be one of the qualifying projects for moving freight.

Another item addressed through the Surface Transportation Bill was \$1.4 billion in TIFIA loans which is a transportation financing tool that the Port of Everett is closely looking at to assist with its Initiative No. 1 - preparing for larger ships.

Lastly, the Surface Transportation Bill reopened the Export/Import Bank financing which is critical for the Port's customers, such as Boeing. The reauthorization allowed the Board to approve up to \$10 million in financing

subject to the approval of a quorum on the Ex/Im Bank Board. There is still more work to do done.

For the federal legislative agenda for 2016, the Port will advocate for increased maintenance dredging for the Snohomish River. The Port is seeing increased sedimentation and increased dredging costs. The Port's historic average of \$1.5 million to maintain the Everett harbor and Snohomish River is not adequate.

The Port is keeping a close look at the implementation of Section 2102, a provision of the WRDA bill that allows the Port to get grant dollars for berth dredging of contaminated soils.

Lastly, the Port is continuing to work on different grant funding and infrastructure financing tools to be able to realize the Port's initiatives.

Washington Public Ports Day in Olympia is January 27, 2016.

Holiday on the Bay

Lisa Lefebber said Holiday on the Bay was a great event. Over 2,000 people attended throughout the day. Catherine Soper did an amazing job in organizing the event. \$650 was raised for Toys for Tots, along with donated toys.

Port Staff did a tremendous amount of work and the event was well received by the community.

3. CHIEF FINANCE OFFICER'S REPORT

Job Order Contracting Update

Procurement and Contracts Administrator Maija Lampinen provided an update on the Port's Job Order Contracting Program. The Job Order Contracting (JOC) Program is an on-call public works contracting process with firm fixed pricing.

The Port has two contracts – one with Saybr Contractors and the other with Burton Construction (BCI). The contracts are capped at \$4 million per year per contractor. The Port has spent this past year getting its processes and procedures honed. In the beginning, two goals were identified for job order contracting. The first goal was to complete the small public works projects efficiently and effectively; and the second goal was to develop a collaborative partnership with the contractors. The Port has met both goals.

Under the first goals, 17 small works projects were completed this past year worth \$1.7 million. This is an average of about \$97,000 per job order. Of these 17 projects, 8 of them were tenant improvement projects; 7 of them were maintenance and repair projects; and then there were 2 small new electrical service projects. With these projects, the Port was able to save time in the design and procurement phase. The average time between the joint scope meeting and the notice to proceed was 40 days. The average time between notice to proceed and substantial completion was 55 days. The level of design was notable for the time savings.

One of the lessons learned is that Job Order Contracting is not for small projects. The Port will be reviewing in the next year what the lower threshold should be for the smaller projects.

A benefit of the program is the ability to use the JOC program in emergency situations. A good example is some of the repair work from the recent storm damage at the Port.

Staff is still working to refine the processes and procedures, but overall this is a really valuable procurement tool for Port Staff. The quality of work performed by the contractors has been very good.

The second goal was to develop a collaborative working relationship with the JOC contractors. With any new process, there were a few bumps in the road mainly in the areas of communication. Staff is working through issues with the contractors and is developing a good working relationship and will continue to work on any areas of concern throughout the year.

4. DEPARTMENT REPORTS

Properties

PND Contract Modification No. 2

Project Manager Brandon Whitaker reported that on January 21, 2014, the Port received approval to redevelop the Marina District. Following a Request for Proposals process in 2014, PND Engineers was selected to develop design documents and to support the implementation of the plan. This contract puts all engineering and architectural services under one contract to generate efficiencies and transparency. In 2015, as a spending control by the Commission, only the first 12 month scope of work was approved in the amount of \$3 million. In November 2015, the CEO approved Modification No. 1 to the PND contract in the amount of \$120,000 to bridge the gap until the full 2016 scope would be approved and assure the project stayed on schedule for projects set for construction in early 2016. It was anticipated in 2015 that Staff would return to the Commission each year to request needed contract authority to continue to execute the project and update the Commission on progress and market forecasts as a mechanism for oversight by the Commission.

In 2016, the Port will continue its work with prime consultant PND under this modification of the contract in the amount of \$1,990,000.00 which provides scope of work for projects scheduled for 2016 including the Seiner Terminal Design, Engineering oversight on projects under construction, and the completion of utilities and district design sufficient for the final development plan due by 2018. All funds needed for this contract are available and were authorized in the 2016 Capital and Operating Budgets. Of this amount, \$196,000 is management reserve; \$60,000 is an optional expenditure that may be utilized for construction management if needed; and \$136,000 is anticipated in the Properties Operating budget to be utilized for developing concepts and various evaluations necessary for development of buildings.

Brandon Whitaker asked the Commission to authorize the Executive Director to approve Modification #2 of the PND Engineering contract in the amount of \$1,990,000, and individual Task orders 2.02, 5.02, 7.01 and 9.01 substantially as presented.

Commissioner Glen Bachman moved that the Commission authorize the Executive Director to approve Modification No. 2 of the PND Engineering contract in the amount of \$1,990,000, and individual Task orders 2.02, 5.02, 7.01 and 9.01, which exceed the CEO's authorization level, substantially as presented. Commissioner Tom Stiger seconded the motion. A vote was called for:

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

Motion carried.

Projects

ESY Sediment Cleanup & Central Marina Improvements – Phase 1 Project Closeout

Elise Gronewald and Erik Gerking reported that Port Staff is seeking Commission authorization to close-out the Everett Shipyard (ESY) Site Sediment Cleanup & Central Marina Improvements Phase 1 project with Magnus Pacific. The Commission authorized Port Staff to advertise the In-Water Cleanup Contract on April 8, 2014 and the Commission awarded the contract to the lowest bidder,

Magnus Pacific on June 17, 2014, in the amount of \$6,143,172.13, including Washington State Sales Tax (WSST).

Background

The Port is under a Consent Decree with the Department of Ecology for the final cleanup action of the ESY site. The site is being cleaned up in accordance with the State's Model Toxics Control Act (MTCA) cleanup regulations under the umbrella of the Puget Sound Initiative. The site is located in the heart of the "early action area" of the Waterfront Place Development. The in-water cleanup was the second of two phases of cleanup for this site. The upland cleanup was the first phase and was completed and closed out on April 8, 2014.

Funding for the Everett Shipyard cleanup project came from three sources: 1) the settlement with ESY, Inc., 2) Port funds, and 3) the Department of Ecology Remedial Action Grant Funds.

Description of Contract

The Commission authorized and awarded Schedule A (base bid) and Schedule B (additive bid) to the lowest responsive responsible bidder, Magnus Pacific. The total contract amount with WSST is as follows:

- Schedule A in the amount of \$5,895,550.21
- Schedule B in the amount of \$247,621.92
- Total Contract in the amount of \$6,143,172.13

Schedule A (base bid) of the contract included float and marine structures demolition, excavation and disposal of contaminated soil, dredging and disposal of contaminated sediment, installation of approximately 350 linear feet of new bulkhead, backfilling and grading, and site restoration including construction of the interim public access path along the bulkhead wall. Schedule B (additive bid) included the replacement of the City of Everett's (City) combined sewer overflow and storm water outfall known as PSO-2 that runs below the new 14th Street alignment and penetrates the new bulkhead.

Throughout the project, Port Staff issued four change orders. After completion of the project work, including both schedules A and B, unit price bid item over-runs and under-runs, the total cost of the project was \$5,698,798.32, including WSST. This is \$444,373.81 (including WSST) less than the original contract amount.

Staff requests that the Commission accept the Everett Shipyard Site Sediment Cleanup & Central Marina Improvements Phase 1 contract as complete, and authorize Staff to close-out the contract with Magnus Pacific in the final total amount of \$5,698,798.32, including WSST.

Commissioner Tom Stiger moved that the Commission accept the Everett Shipyard Site Sediment Cleanup & Central Marina Improvements Phase 1 contract as complete, and authorize Staff to close-out the contract with Magnus Pacific in the total amount of \$5,698,798.32, including Washington States Sale Tax. Commissioner Bachman seconded the motion. A vote was called for:

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

Motion carried.

Commission President's Report

Commissioner McClelland said he believed that WPPA (Washington Public Ports Association) understands clearly how important MTCA is to all ports, and extended his appreciation to Port Staff for their focus and ability to work under challenging circumstances.

A lot has been done on the waterfront, and Commissioner McClelland thanked Kenny Hudson, the Longshoremen and Port Staff for a great 2015.

For 2016, the Port will need to be adaptive and flexible because ports are becoming a more complex business.

Commissioner McClelland said he received some very positive comments about the Holiday on the Bay event and thanked Port Staff for their efforts.

Commission Discussion

Commissioner Bachman reported that the Trade Development Alliance of Greater Seattle has just lost its President, Sam Kaplan, and so they are on the search for a new President.

Commissioner Stiger commented that on the federal level, it was good news about the reauthorization of the Ex/Im Bank. TransPacific Partnership is also working its way through Congress.

Commissioner Stiger said that he and Graham Anderson attended the Everett Planning Commission meeting recently primarily to hear a presentation on the proposed Grand Avenue Bridge project. The proposed bridge is taking a sizable footprint of Port property. A comment period will be extended to interested parties.

Citizen Comments

There were no Citizen comments.

THE REGULAR MEETING was recessed into Executive Session at 6:24 p.m. for approximately 45 minutes - to conclude by 7:10 p.m. The purpose of the Executive Session was to discuss with legal counsel the acquisition of real estate for which public discussion could disadvantage the Port's negotiations and legal advice.

At the request of the Commission President, Port attorney Brad Cattle announced in the public meeting that the Executive Session would be extended by 10 minutes, or to 7:20 p.m.

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 7:20 p.m.

APPROVED this 12th day of January, 2016.

EVERETT PORT COMMISSION

By: 

Glen Bachman, President


Tom Stiger, Vice President


Troy McClelland, Secretary



EASTERN CAR LINER (AMERICAS) INC.
dba **ECL AMERICAS**

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www.eclamericas.com

Bill Christ, Executive VP & COO

13 NOV 2015

To: Port of Everett
Attn: Mr. Les Reardanz, CEO/Executive Director
Mr. Carl Wollebek, COO

Dear Mr. Reardanz and Mr. Wollebek:

It is a tremendous honor that you recognize ten years of ECL's ongoing, regular leasing of the Port of Everett. This has been a great partnership we have shared, and has been a pleasure working closely with all the fine people at the Port. We have witnessed exemplary efforts to adapt to changing market conditions, always improving and making Everett the preferred multi-use facility in the Pacific Northwest.

We're truly happy to attend your celebration, but indeed all of us at ECL look forward to a continued, amicable partnership, and celebrating 20 years.

With very kind regards,

Bill Christ, E.V.P. & COO
ECL Americas

Eastern Car Liner Ltd. Montreal, Quebec



The power of *you*.

November 23, 2015

Mr. Les E. Reardanz
CEO
Port of Everett
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Everett, WA 98201

3120 McDougall Ave., Suite 200
Everett, WA 98201
425.374.5500
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Dear: Mr. Reardanz,

Right now, a child is succeeding in school, a family is learning to save, and teens are finding their voices by volunteering in the community. That's the **Power of You**. We are pleased to celebrate and acknowledge the results of your 2015 United Way employee campaign. In addition to your generous 75th year sponsorship gift, your employees raised \$7,919 for a total of **\$8,919** through the leadership and commitment of **Kristelle Hazel**, your Employee Campaign Manager. Kristelle blended the right amount of time, events to educate, and fun to make this annual giving campaign a success. I am nominating her for the Positive Change Award as the number of employees participating increased by 50%.

These gifts will be put to good use during the coming year. We will continue to strengthen our community, bringing together business, non-profits, government, issue experts and volunteers to identify our most pressing issues. Experience tells us the best way to help the most people is to get to the heart of problems and prevent them from happening in the first place. We can, over time, improve the quality of life for everyone in Snohomish County.

Thank you for making us a partner in your philanthropy. Working together we can change peoples' lives and "Live United". Your time, effort and support are truly appreciated.

Best regards,

A handwritten signature in black ink that reads 'Marcia Storer'.

Marcia Storer
Campaign Executive
Sponsored by Aviation Technical Services, Inc.
United Way of Snohomish County



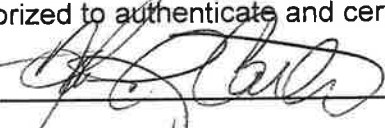
Port of Everett

ORIGINAL


**Port of Everett
Voucher Certification and Approval
for the month of
NOVEMBER
2015**

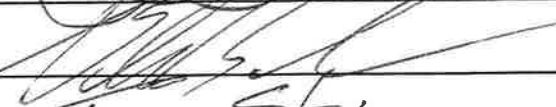
		Total
Claims Voucher Nos	75413 - 75712	\$4,223,454.87
Claims Electronic/Wire Transfers:		
11/16, 11/30	Electronic Transfer - Health Equity	\$ 2,599.47
11/2, 11/17	Electronic Transfer - IRS	\$ 189,618.02
Total Claims		\$4,415,672.36
Payroll Voucher Nos.	46814 - 47028	\$ 479,544.68
Payroll Wire Transfers:		
11/3, 11/10, 11/17, 11/24	PMA Payroll (Longshore Labor)	\$ 371,595.97
Total Payroll		\$ 851,140.65
Wire Transfers:		
11/10	Wire Transfer - Bank of New York Investments	\$ 985,058.33
11/6	Wire Transfer - Hirofumi Oshio	\$ 1,752.57
11/6	Wire Transfer - U. S Bank	\$ 10,000.00
9/25	Wire Transfer - U. S Bank	\$ 3,519,800.01
Total Payments		\$9,783,423.92


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 December, 2015:

 _____ President

 _____ Vice President

 _____ Secretary