

MINUTES OF EVERETT PORT COMMISSION
REGULAR MEETING
January 5, 2016

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

CALL TO ORDER: The meeting was called to order at 5:04 p.m.

1. ELECTION OF COMMISSION OFFICERS

Commissioner Troy McClelland moved to elect Glen Bachman as Commission President, Tom Stiger as Commission Vice President and Troy McClelland as Commission Secretary for the year 2016. There being no discussion, a vote was called for:

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

Motion carried.

Commissioner McClelland passed the gavel to Commissioner Glen Bachman.

2. CEO/EXECUTIVE DIRECTOR'S REPORT

Preparing for Larger Ships - Update

Director of Public Affairs Lisa Lefeber provided a briefing on Staff progress for the 2016 work plan in "Preparing for Larger Ships" at the Terminals.

To meet current and future customer needs, and to stay competitive in the global marketplace, the Port has identified the need for larger berths (at least 300 more feet) and a deeper draft (at least 45 feet MLLW) to accommodate larger vessels at the Marine Terminals. The Port Commission has directed Staff to enhance the Port's seaport facilities to meet this need.

The Port of Seattle is surplusng some gantry cranes and Port Staff has been engaged with folks from the Northwest Seaport Alliance and the Port of Seattle in discussions about the Port of Everett acquiring those cranes for use at the South Terminal. These are the larger cranes to be able to accommodate the larger vessels.

Staff has begun the Port's outreach efforts by meeting with neighborhood groups, providing information in newsletters and created a project page on the website, and have integrated capital initiatives into all public presentations and collateral materials to get the word out about the reason for the need of larger berths, the reason behind it and why it is so important to the community and Snohomish County as a whole.

The 2016 Budget for "Preparing for Larger Ships" has \$18.5 million of approximately \$313 million total capital improvement program. Chief Finance Officer John Carter added that Staff was currently moving forward very aggressively to provide for longer berthing infrastructure with deeper draft and enhanced rail, as well as equipment and facilities and related environmental cleanups. Most of the major improvements of the \$313 million are currently in the unfunded category of the capital improvement program and are not included in the five year capital plan that was approved in November 2015.

Lisa Lefeber outlined the 2016 Work Plan as follows:

1st Quarter:

- Establish a financial feasibility team;
- Identify a Construction Project Manager for Initiative #1 that would report to the Project Leads;
- Get the Capital Initiative Projects listed on the regional and state transportation improvement plan – *Submitted application on December 18, 2015*;
- Identify major minimum operational goals for the projects, i.e., minimum berth length 1,000 feet, depth -45 feet;
- Have concrete path forward for engineering solutions to attain containment, berth length and operational depth;

2nd & 3rd Quarter:

- Work on Business/Finance Plan for the nearly \$280 million initiative;
- Bid Phase II Terminal Rail Upgrades;
- Negotiate and finalize the possibility of gantry crane acquisition from the Port of Seattle;
- Develop a more detailed cost analysis of the Capital Initiative;

4th Quarter:

- Finalize South Terminal Wharf Strengthening Phase II Design and Permitting; conduct SEPA review;
- Construction of Phase II Terminal Rail Upgrades;
- Construction of Mill A Interim Action Dredging near Pacific Terminal “Dredge the Wedge”

Ongoing factors and concerns include MTCA funding, federal and state funding, economic conditions, and integrating “off ramps” into the implementation of the Capital Initiative to ensure the financial viability of the Port.

3. TRANSACTION OF BUSINESS OF THE PORT OF EVERETT

Resolution No. 1041

Executive Director Les Reardanz presented Resolution No. 1041 that establishes procedural rules for the transaction of Port Commission business.

Upon discussion, Commissioner Tom Stiger moved that the Commission adopt Resolution No. 1041 establishing the procedural rules for the transaction of Port Commission business and superseding Resolution No. 1019 in its entirety. Commissioner Troy McClelland seconded the motion. A vote was called for:

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

Motion carried.

4. COMMISSION MEETINGS SCHEDULE

Resolution No. 1042

Les Reardanz presented Resolution No. 1042 reconfirming the schedule and location of Port of Everett Commission meetings pursuant to RCW 42.30. The Port Commission may adjust the schedule, from time to time, to include holding regular meetings during other hours, and it may hold Special Meetings pursuant to RCW 42.30.080.

Upon discussion, Commissioner Troy McClelland moved that the Commission adopt Resolution No. 1042 confirming the schedule and location of Port Commission meetings for 2016. Commissioner Glen Bachman seconded the motion. A vote was called for:

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

Motion carried.

5. APPOINTMENT OF LEGAL COUNSEL
Commissioner Troy McClelland moved to appoint Bradford N. Cattle and the Anderson Hunter Law Firm as Port legal counsel for 2016. Commissioner Tom Stiger seconded the motion. A vote was called for:

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

Motion carried.

6. APPOINTMENT OF PORT AUDITOR/PORT TREASURER
Commissioner Troy McClelland moved to appoint John Carter as the Port Auditor and Port Treasurer for the Port of Everett for 2016. Commissioner Glen Bachman seconded the motion. A vote was called for:

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

Motion carried.

7. TRAVEL AUTHORIZATION FOR 2016

Resolution No. 1043

Executive Director Les Reardanz presented Resolution No. 1043, which authorizes the Commission and Port Staff to travel as necessary within the United States and Canada during the year 2016, and which calls for the Executive Director to provide specific approval to Port Staff for travel outside the United States and Canada with a quarterly report to the Commission of the approved international travel. The resolution also calls for travel by the Commissioners or the Executive Director outside the United States and Canada to be authorized by the Commission in advance of the travel.

Commissioner Tom Stiger moved to adopt Resolution No. 1043 establishing the travel authorization for 2016. Commissioner Glen Bachman seconded the motion. A vote was called for:

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

Motion carried.

8. ANNUAL RENEWAL OF DELEGATION OF AUTHORITY

Resolution No. 1044

Les Reardanz presented Resolution No. 1044 which provides the Executive Director with the authority to manage the Port and provides the guidelines for the delegation of authority from the Commission to the Executive Director who is then empowered to delegate some of the Executive Director's authority to Staff as the Executive Director deems appropriate. The resolution is updated annually.

Updates to the resolution included moving the "Emergency Contracting" from the public works section to its own stand-alone Section X, and also added paragraph A to allow for Waiver of Competitive Bidding Requirements. Additionally, under "V. Utilization of Port Crews, paragraph B" the amount for new construction or major modifications of Port facilities to be carried out by a Port Crew was increased to \$300,000 (from \$200,000).

Upon discussion, Commissioner Troy McClelland moved that the Commission adopt Resolution No. 1044 establishing the Master Policy Directive for the

administrative authority of the Executive Director and his designees for the year 2016. Commissioner Tom Stiger seconded the motion. A vote was called for:

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

Motion carried.

9. ANNUAL RENEWAL OF AUTHORITY TO SELL SURPLUS PROPERTY

Resolution No. 1045

Executive Director Les Reardanz reported that Resolution No. 1045 authorizes the Executive Director to sell and convey Port District surplus property as provided in RCW 53.08.090 and adjusted annually by the governmental price index established by the Department of Revenue. For 2016, the figure is \$15,000. The authority is to be in force for not more than one calendar year from the date of the resolution and may be renewed from year-to-year. Prior to the sale or conveyance, the managing official shall itemize and list the property to be sold and make written certification to the Commission that the listed property is no longer needed for Port District purposes. For surplus property valued in excess of \$15,000, the Commission must approve the sale of the property by separate resolution.

Commissioner Troy McClelland moved that the Port Commission adopt Resolution No. 1045 authorizing the Executive Director to sell and convey surplus property pursuant to RCW 53.08.090. Commissioner Tom Stiger seconded the motion. A vote was called for:

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

Motion carried.

10. CHIEF FINANCE OFFICER'S REPORT

Chief Finance Officer John Carter provided an update to the Commission that the Port has set up a new banking relationship effective December 1, 2015 with U.S. Bank. The Port is approximately 75 percent through the full implementation process. This month, the Port is trying out the procurement card program which will allow Staff to use corporate credit cards for some of the purchases the Port will be making, along with a substantial rebate for the process.

Given the fact that the Port has a fairly substantial capital plan in place, Port Staff has been researching the possibility of having a line of credit available so that the treasury operates with more certainty as to the liquidity needs of the Port.

Port Staff will keep the Commission apprised as the banking process moves forward.

11. CHIEF, LEGAL AFFAIRS REPORT

Resolution No. 1046 – Revising the Port of Everett's Policies and Procedures under the Washington State Environmental Policy Act (SEPA)

Paul Brachvogel, Chief, Legal Affairs, briefed the Commission on the updates to the Port's State Environmental Policy Act (SEPA) Policies and Procedures consistent with the Department of Ecology's (DOE) statewide SEPA rules.

SEPA applies to state agencies, counties, and municipal and public corporations, including port districts. SEPA sets forth an environmental policy for Washington State and requires that the environmental impacts of proposals be analyzed and mitigated. The Port has acted as a lead agency under SEPA since 1984. SEPA has recently been amended and required the state DOE to issue new uniform standard statewide rules for carrying out SEPA. The Port is updating its SEPA

policies and procedures to be consistent with those uniform statewide rules. The proposed resolution incorporates the necessary amendments and updates to the Port's SEPA Policies and Procedures. While a public hearing is not required by state law, a public comment opportunity has been provided on the Port's website and through a mailing to the Port's SEPA mailing list.

Staff will keep the Commission apprised of any public comments that the Port might receive and report back at next week's meeting. Staff will also ask the Commission to consider adopting Resolution No. 1046 at next week's meeting.

Commission President's Report

Commissioner Glen Bachman said that since the holidays, he has had the opportunity to hear numerous positive things about the Port from tenants, constituents and civic leaders. The Port is going in the right direction.

Citizen Comments

There were no Citizen comments.

THE REGULAR MEETING was recessed into Executive Session at 5:54 p.m. for approximately 20 minutes - to conclude by 6:15 p.m. The purpose of the Executive Session was to discuss with legal counsel negotiations concerning a piece of real property which may be leased or sold when public discussions could 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 6:15 p.m.

APPROVED this 9th day of February, 2016.

EVERETT PORT COMMISSION

By: 
Glen Bachman, President


Tom Stiger, Vice President

Troy McClelland, Secretary