

MINUTES OF EVERETT PORT COMMISSION  
REGULAR MEETING  
March 1, 2016

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

CALL TO ORDER: The meeting was called to order at 5:10 p.m.  
Commissioner Troy McClelland participated by teleconference until his arrival.  
Commissioners Bachman and Stiger were in attendance.

1. CEO/EXECUTIVE DIRECTOR'S REPORT

**State Legislative Update**

CEO/Executive Director Les Reardanz reported that the State Senate has a proposed budget that includes funding for the Model Toxics Control Act (MTCA) account that includes funding for the Port of Everett in the amount of \$3.8 million; however, the House side does not include MTCA in their budget, so there will be a reconciliation conference period and the Port will have to pay close attention on what happens during that session, as well as keeping an eye on budget provisos that slide into the budget that may affect the MTCA account.

There was a hearing last week on a bill that would have instituted a surcharge on the MTCA funds of 2 percent if the revenues did not take in at least \$170 million. If the revenues collected were over \$220 million, the surcharge would come off. WPPA testified in support of a new revenue concept to try to fix MTCA. The bill hasn't gone anywhere, but technically still could.

Staff continues to monitor things and stay engaged. Last week, Staff spent Monday in Olympia meeting with various legislators to make sure that this stays at the forefront.

Commissioner Stiger added that The Daily Herald published an editorial recently on the MTCA funds account and said that the Port should thank the Editorial Board. Commission President Glen Bachman reported that he did thank Josh O'Connor of the Herald this afternoon and that he thought the Opinion piece was spot on.

2. CHIEF FINANCE OFFICER'S REPORT

**Interlocal Purchasing Agreement with City of Kirkland**

Maija Lampinen, Contracts Administrator, reported that the Port of Everett and City of Kirkland would like to establish an intergovernmental cooperative purchasing agreement. This agreement would establish the ability for both agencies to use each other's eligible contracts. 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, 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.

Commissioner Stiger said that he has always favored interlocal agreements for services and purchases that benefit both parties.

Commissioner Stiger moved that the Commission approve the Intergovernmental Cooperative Purchasing Agreement with the City of Kirkland and authorize the Executive Director to sign the agreement. A vote was called for:

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

Motion carried.

**State Auditor Engagement Letter**

Chief Finance Officer John Carter reported that the State Legislature requires that the Port receives an audit each year of both the financial statements and compliance with local and state laws. The engagement letter that the Port received from the auditor indicates that they will start their audit on April 4, and potentially charge the Port up to \$28,500 for the audit. The audit is budgeted and Bob Marion will be managing the auditor's relationship on site.

The auditor's office now requires the Port Commission President to sign the engagement letter. Commission Bachman signed the engagement letter.

3. CHIEF OF LEGAL AFFAIRS

**Wind Damage Emergency Update**

Chief of Legal Affairs Paul Brachvogel informed the Commission that the November 17, 2015 wind storm caused an estimated \$930,000 in damage, and the bulk of that was at the South Terminal and Marina. The fender system at the South Terminal sustained approximately \$300,000 in damage, and upland repairs incurred an additional \$40,000. The Marina sustained damages in the amount of \$574,000, including the Marina upland repairs at \$60,000, Conference Center Roof at \$60,000, Marina in-water work at \$9,000, Marina dock repairs at \$290,000 and the Jetty Island log boom at \$155,000.

The Port's insurance carrier, Lexington Insurance has already issued \$400,000 as a partial payment.

Les Reardanz added that Staff presented this information to the Commission because the damage amount was significantly higher from when the Declaration of Emergency was presented. There is a second event that involved a stump, and while Staff felt it was all part of one event, the insurance company has preliminarily said it was two events; however, the amount of damage is most likely going to be under the deductible, so it wouldn't really become an issue for the Port.

**Commission President's Report**

Commissioner Glen Bachman commented that he attended the Puget Sound Regional Council (PSRC) Executive Board Meeting and learned that the ridership for Sound Transit has grown exponentially over the population increase for the Puget Sound area which either says that people are riding buses or it is the type of employee that is being mobilized into our area. He added that at a time when he was involved in another position, a potential business person wanted to relocate into Everett from the East coast and the first thing they asked about was transportation infrastructure - so a number of types of employees, specifically technological, are probably using buses a lot more than many of the north westerners ever did in the past.

As Commissioner Stiger mentioned, kudos to the Herald for bringing up and articulating the MTCA issue.

### **Commission Discussion**

Commissioner Stiger said that he and Commissioner Bachman attended the Mukilteo Multi-Modal project open house at Mukilteo last Thursday, and the design is 60 percent complete. The project is fully funded at \$129 million. There is some money in the President's budget to study relocating the NOAA building to the other side of the road from where it currently sits.

Commissioner Stiger expressed his concern about the money being spent on the Port's federal lobbying efforts as was noted in the Executive Director's contracting report for the 4<sup>th</sup> quarter of 2015. The Port will be spending \$110,000 for 2016 and \$120,000 in 2017 for federal lobbying. Commissioner Stiger suggested that the Port should consider entering into an interlocal agreement with the City of Everett who also has a lobbyist so that these costs can be better controlled. The Port has AAPA, PNWA and the congressional delegation that are supporting ports and it seems that the Port should be able to reduce its expenses for lobbying. When the federal contract comes up for renewal, Port Staff should look at other options.

Commissioner Bachman added that the Port should have information on the value of the lobbying efforts at that time as well.

Les Reardanz said that the federal lobbying services are important as the efforts are both offensive and defensive as well as there are relationships there that Port Staff do not have the time and energy to cultivate in Washington DC. The contacts that they generate on TIFIA loans and TIGER grants come down on such a quick pace that Staff doesn't have the time, the expertise nor the relationships with which to be able to get the clarifying information both at an Administrative level and Executive Branch level or a Legislative Branch level, so having the lobbyists there so they can go and do those things are important. On the defensive side, the lobbyists were the ones that brought up a Clean Water Act Rule and we alerted AAPA and WPPA. Les said he felt the lobbyists served a vital function.

Lisa Lefeber said that she and John Carter just returned from Washington DC. The Port's firm has extensive history and experience with transportation issues and were able to get over 5 hours in a reserved conference room at the U.S. Department of Transportation and all of the different agencies came to that conference room. Our representatives work very closely with AAPA.

With the new federal grant program (FAST), representation will be very important going forward, particularly with the grant program. The City of Mukilteo is happy because the Port is able to leverage resources and investments to help the City identify different Department of Defense dollars to be able to get the Tank Farm funding, so there has been a lot of interlocal partner work in our partnership with Mukilteo.

Commissioner Bachman said that he works with two other lobbying groups on real estate issues that work out of Washington DC, to ward off what could be coming at us in costs. Lobbyists help in that they can be at the table. The saying goes "if you're not at the table, you're on the menu."

Commissioner Stiger reiterated that at the next opportunity, Staff should take a look at the lobbying contract. Staff agreed.

Commissioner McClelland said that some important WPPA meetings are coming up and there has been a big staffing shift, due to retirements and some different things. The assistant Executive Director will be moving on earlier than expected.

### **Citizen Comments**

There were no Citizen comments.

THE REGULAR MEETING was recessed into Executive Session at 5:40 p.m. for approximately 45 minutes - to conclude by 6:25 p.m. The purposes of the Executive Session were to discuss with legal counsel, 1) the acquisition of real estate for which public discussion could disadvantage the Port's negotiations; 2) to consider the negotiations concerning a piece of real property which may be leased or sold when public discussions could disadvantage the Port; 3) a litigation matter; and 4) to discuss the strategy to be taken by the Port Commission during the course of collective bargaining that is currently in progress.

At the request of the Commission President, Port attorney Brad Cattle, in the open public meeting, extended the Executive Session by 15 minutes – to 6:40 pm.

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 6:40 p.m.

APPROVED this 12<sup>th</sup> day of April, 2016.

EVERETT PORT COMMISSION

By: 

Glen Bachman, President



Tom Stiger, Vice President

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Troy McClelland, Secretary