

MINUTES OF EVERETT PORT COMMISSION
REGULAR MEETING
November 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: Commission President Glen Bachman called the meeting to order at 5:03 p.m.

1. CEO/EXECUTIVE DIRECTOR'S REPORT

Executive Director Les Reardanz announced to the Commission that the Wheels on the Waterfront presentation is being rescheduled to December 13, 2016. The Commission concurred.

Commission Meetings

A Commission meeting will be held on November 8, 2016; and if needed, for the budget process, there are dates set aside for special meetings on the 15th, 22nd or 29th. In December, Staff is recommending to the Commission that the meeting on December 6 be cancelled with a Regular Meeting to be held on December 13, 2016. January 3rd is the first Tuesday in 2017 right after the New Year Holiday and Staff is recommending that the meeting be cancelled and hold two meetings on January 10 and January 17, 2017 respectively. The January 10th meeting is normally the meeting where Port Staff presents the Port's annual "housekeeping" resolutions, and this year the Port will be adding the Open Public Meetings Act and Public Records Act training for elected officials so that there will be an annual certification of those trainings.

2017 Regional Policy Priorities

Chief of Policy and Communications Lisa Lefeber presented regional policy priorities with Snohomish County, Snohomish County Cities, Port of Everett and the Economic Alliance of Snohomish County. Priorities include Snohomish County Transportation and Infrastructure, Education and Workforce, Economic Prosperity and Competitiveness and Community Vitality and Resiliency.

Of particular interest to the Port of Everett and its capital initiatives is to support the modernization of the Port of Everett's international seaport through capital investment in dock, rail and surface transportation infrastructure which is consistent with the Port's Seaport Modernization efforts.

Under Economic Prosperity and Competitiveness, it is noted to promote the importance of the Port's highly skilled workforce, educational institutions and tax policies that all play a role in attracting and retaining aerospace and non-aerospace companies in Snohomish County. It is important to insure that aerospace, the workforce and the business climate stay positive.

Under Community Vitality and Resiliency, the group supports the long term funding of the Model Toxics Control Act (MTCA) account for the Port of Everett's Mill-A seaport environmental cleanup. The Port has worked closely with this group to ensure that these regional priorities and priorities of the Port are represented in this regional document and have been finalized.

ORIGINAL

Staff is asking that the Commission adopt the 2017 Regional Policy Priorities substantially as presented.

Commissioner Troy McClelland moved to adopt the 2017 Regional Policy Priorities for the Port of Everett, Economic Alliance Snohomish County, Snohomish County, Snohomish County Committee for Improved Transportation (SCCIT) and Snohomish County Cities substantially as presented. A vote was called for:

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

Motion carried.

2. 2017 CONSOLIDATED BUDGET –

- Resolution No. 1060 – 2017 Property Tax Levy
- Resolution No. 1061 – Substantial Need for Property Tax Levy
- Resolution No. 1062 – 2017 Operating Budget and capital Budget

Chief Finance Officer John Carter provided a presentation on the 2017 Budget to the Commission that included an overview of the Budget, the Capital Improvement Plan, Operating Budget highlights, Budget funding plan, financial implications and the Budget Schedule.

John Carter said the Budget adoption process includes consideration of Budget Amendments and the introduction of the Budget and Property Tax resolutions on November 1; the Public Hearing and deliberation on the Adoption of the Budget and Property Tax Resolutions on November 8; and additional deliberation on the Budget resolutions on November 15, 22 or 29, 2016 as necessary.

The Port has received one proposed amendment from Commissioner Stiger who made the following comments: 1) the Port needs to account for property acquisitions; 2) the Seaport revenues may be overstated; 3) the Port needs to continue making cuts in Operating expenses; and 4) Port Staff needs to describe where the grant and property sales appear in the budget.

John Carter said that proposed Budget Resolution No. 1060 sets the property tax levy at \$4,810,192 at an estimated levy millage rate of \$0.29785. Resolution No. 1061 sets a substantial need to raise the increase in property tax from the Implicit Price inflator of 0.953% up to the full 1% increase allowed by law. Resolution No. 1062 adopts the 2017 budget that includes both a 1 year Operating Budget and a 1 Year Capital Improvements Plan. By adopting the Capital Budget, the Port is implicitly adopting the longer capital plan and the funding plan due to the timing of the capital projects.

John Carter reiterated that Port Staff would be asking the Commission to consider adopting the Budget Resolutions at next week's public hearing.

3. CHIEF FINANCE OFFICER'S REPORT

3RD Quarter Report

John Carter said that even though the Port did okay in the 3rd quarter, the Port did not pick up any ground relative to the budget. For revenues, the Port is 32 percent below last year, and also about 1.9 million below what was forecasted in the budget. The good news is that the Port has been able to cut costs by about 31 percent, and is \$2 million below budget on operating expenses. On the non-operating side, income is above budget.

The Marine Terminals revenue is down 43 percent compared to last year's tremendous volume. The Marina is up 5 percent year-to-date, and the Properties division is up 4 percent year-to-date.

The Port finished the quarter with 102 FTE staff. Cash and investments increased substantially because the Port issued \$20 million worth of bonds, and total debt went up from \$51 million to \$68 million.

John Carter said treasury activity has included keeping more liquid assets in the amount of \$16 million as of the end of September 2016 due to the amount of capital projects. The Port closed the quarter with \$44.57 million of total investments of which \$28 million is in the fixed portfolio.

4. CHIEF OF LEGAL AFFAIRS

South Terminal Bulkhead Site A – Bid Withdrawal

Chief of Legal Affairs Paul Brachvogel reported that the Commission previously authorized bidding of the South Terminal Bulkhead Site A project. The proposed work entailed maintenance of the Site A bulkhead directly in front of the Port's existing Maintenance Shop near the South Terminal. The contract would require the contractor to furnish, provide, and install all labor, materials and equipment to repair the South Terminal Bulkhead – Site A, which would include but was not limited to beach excavation, placement of armor rock, wooden bulkhead repair, new piling and replacement of a wood walkway.

The Port was unable to secure the Corps permit in sufficient time to complete the work contemplated by the project under the present work window ending February 15, 2017. The winning bidder is unable or unwilling to execute the contract and delay construction until the next work window when the Port would have the permits. Under the circumstances, Staff recommends rejection of all bids and seeks Commission approval to this effect as required under the Delegation of Authority Resolution No. 1051.

Commissioner Troy McClelland moved that the Commission reject all bids for the South Terminal Site A Bulkhead repair project. A vote was called for:

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

Motion carried.

5. INITIATIVE ONE: SEAPORT MODERNIZATION

Lisa Lefeber reported on progress for the Seaport Modernization effort. The team has gotten all of the local, state and federal permits submitted for the South Terminal Wharf strengthening. They were submitted in mid-October.

There was a U.S. Department of Transportation site visit with a team from Washington D.C. who is administrating the Port's TIGER grant. The representatives were very appreciative and spent the whole day on October 18 with Port Staff asking and answering questions relative to the project and grant. Port Staff was able to give them a briefing and reviewed the draft grant agreement with the representatives which has been submitted, as well as take the representatives on a tour of the Boeing facility and showed them the logistics chain for which the Port's facility would be involved.

Port Staff are making sure that the regulatory agencies, local businesses and community leaders, the tribes and neighbors are kept up-to-date on the project by various methods. Staff has also been making presentations to various

organizations such as the Rotary Club. An Ecology tour was held October 5 which was very enlightening as there were some state budget writers in attendance that got to see the importance of the Port's environmental cleanup projects in terms of what has been accomplished and what is left to do and how that feeds in to the Mill A cleanup project. Senator Cantwell's Washington DC staff were at the Port this past month, and Port Staff also had the opportunity to take the new Airport Director on a tour of the Port.

In terms of financing grants, Port Staff received wonderful news that the Port is being considered and does qualify as a donor port under the Water Resources Development Act for Section 2102 which is a provision that allows donor ports to apply for grant dollars for contaminated berth dredging. This will be critical as the Port moves into the Mill-A cleanup project because there is a lot of contaminated berth dredging that will be required for the project.

Port Staff is considering reapplying for the FAST Lane grant and will have to make a decision by the deadline of December 15, 2016. The Port also has a \$10 million capital budget request into the state for the South Terminal Wharf Strengthening project, as well as a \$5 million Rail Bank loan. In December, Staff will have a better understanding of where the Port is in terms of the financial outlook.

Staff has been working across the board on a federal rail loan. This is groundbreaking in terms of the port industry, particularly in Washington State, for applying for a federal rail loan. There is a lot of thought and effort that goes into applying for this type of loan, and the application and exhibits are being prepared for submittal this week.

South Terminal Wharf permitting is underway. It is expected to take a year; and it is considered to be an individual permit, but the Corps has given the Port indication that it is a straight forward project and it shouldn't require a pre-application meeting. Nonetheless, the backlog at the US Army Corps of Engineers is growing causing delays in issuing permits.

Per the grant requirements, the Port is doing an engineering risk assessment on the South Terminal project. Staff expects to have the 50 percent design for South Terminal sometime in the December timeframe.

6. DEPARTMENT REPORTS

Marine Terminals 3rd Quarter Report

Marine Terminal Director Walter Seidl provided an update on 3rd quarter activities at the Marine Terminals.

Port Calls:

Overall Port Calls were down 26% through the 3rd quarter compared to the same period in 2015. Through the end of September in 2016, Marine Terminals had 109 Port Calls (62 vessels and 47 barges). The vessel category continues to suffer in 2016 where 2015 saw support from the oil/gas industry with Port Calls for ceramic proppant and project cargo in Alberta. During the 3rd quarter, three vessels arrived at the Port carrying wind energy components and three log vessels loaded below deck with forest products.

Tonnage:

Tonnage figures are down 42% compared to 2015. However, this is an improvement from the 2nd quarter. The arrival of the wind energy and log vessels assisted in the Tonnage category.

Continuing pressure from low crude oil prices has halted projects in the oil/gas sector in 2016. Ceramic proppant imports have not returned. Proppant is not expected to move for the remainder of 2016. The strength of the US export dollar continues to place pressure on exports. There were no shipments of bulk cement in the 3rd quarter.

Containers:

Volumes for containers for the 3rd quarter showed a decrease of 37% compared to 2015. The annual Kin Ross vessel will work in the 4th quarter this year and will add 900 container moves. Swire's export volumes are starting to increase again with lumber shipments to Australia showing promise. Swire will also start exporting soybean meal in the 4th quarter which will add to the export volumes through Everett.

Forecast:

In the 3rd quarter of 2016, volumes have still not recovered. Cargo volumes for the 4th quarter should see some continuing lumber shipments and flat Westwood volumes. Swire will increase slightly with the soy bean exports.

Properties

3rd Quarter Report - Leasing

Properties Manager Taylor Nuccitelli reported that in the 3rd quarter, Properties revenue was ahead by 2.5% at \$970,856 against the year-to-date budget. Last quarter, OceanGate expanded its lease for an additional 1,015 square feet enabling the Waterfront Center to be 100% occupied.

For Operating costs, Properties has utilized 82% of the expense budget and is 2.5% ahead of the revenue budget. Expenses include costs attributed to the Waterfront Place Development.

3rd Quarter Report - Development

Waterfront Place Central

Project Manager Brandon Whitaker reported that during the 3rd quarter, Staff was able to complete the Pro Forma for Waterfront Place Central. The Port also received two marketing national awards from IEDC and AAPA. On the entitlement side for the 3rd quarter, our Planning Department has been working hard on documentation to obtain a City of Everett Shoreline Permit No. 3 application.

For the Weyerhaeuser Building Relocation project, one of the highlights during the 3rd quarter was moving the building out to Boxcar Park. Through the remainder of the 3rd quarter, Nickel Bros. and their subcontractors built up the foundation for the building and also brought power to the building.

Staff completed a formal bid process for the Seiner Wharf Bulkhead Segment D and Pacific Rim Plaza Platform. The Commission awarded the low bid contract to Bergerson Construction in August 2016; the project teams began gearing up for notice-to-proceed early in October.

Staff completed a formal bid process during the 3rd quarter on the Fisherman's Harbor Upland Infrastructure project. The Commission accepted the bid protest from the second place bidder and awarded the project contract to Interwest Construction in September, 2016. Interwest is currently mobilizing to the site.

For Boxcar Park Improvements, through the Port's Job Order Contracting element, the Port awarded the project to Burton Construction and during the 3rd quarter they began purchasing the picnic shelters for the project. Burton Construction is currently mobilizing to the site.

The Port reached 60% design for the overall dock plan on the Central Marina Improvements project. The Access Pier to the future Guest Dock 5 reached final design and will be constructed as part of the Seiner Wharf project.

Port Staff developed plans and milestone goals to initiate the new Marine Services Building (D1); and the Port recruited three competitive proposals for the hotel site at Waterfront Place.

Riverside Business Park

The Port completed a 50-year ground lease with Latitude Development that included a 180-day due diligence period at the Riverside Business Park. A study period was also completed on KW Projects' 15-acre cross dock facility.

Port Staff developed a work plan based on Port commitments and initiated a contract with a master engineer to assist Port Staff in completing the civil work that is needed at Riverside Business Park.

Purchase & Sale Agreement – Fisherman's Harbor

Chief of Business Development Terrie Battuello reported that RMJ Holdings, Inc. is the parent company of American Classic Homes (ACH) who is a northwest developer doing business in this region for over 25 years. Alaska Copper & Brass is ACH's financial partner with its roots in the Pacific Northwest ship building and manufacturing industry for over 100 years. The ACH team provided a vision for the Fisherman's Harbor residential that was creative and of high quality and demonstrated a strong team with experience in multiple projects. In keeping with the theme framed for Waterfront Place, the project vision gives a nod to Everett's history and delivers higher quality materials with rich texture and visual interest. Proposed are two to three buildings, each with its own unique waterfront experience design. The new residential community is planned to include 254 units with amenity spaces and surface parking areas. The design is well-oriented to maximize the Port's infrastructure features and pedestrian patterns. In an anticipated schedule provided to the Port as part of their proposal, ACH plans to commence construction in mid-2017, with all projects completed in mid-2019.

The Port and ACH have negotiated terms for the Purchase & Sale Agreement (PSA). Under the PSA, ACH purchases the parcels making up 5.44 acres forming the two blocks of residential in Fisherman's Harbor. The selling price is \$7 million, which includes a \$5 million payment plus a \$2 million price enhancement to be paid upon the projected project stabilization date of October 5, 2020. This value is equal to approximately \$27,500 per unit developed. In such case where the Buyer has not finalized its conversion from a construction loan to permanent financing, the buyer may delay the balloon payment until the permanent financing is in place or up to one year – to October 5, 2021 whichever date is earlier with the payment of 6% interest calculated on the entire amount due (\$2 million) and compounded annually.

Upon mutual execution of this Agreement, ACH will provide a promissory note of \$250,000 with escrow and will receive a 60-day due diligence period to satisfy itself on the suitability of the property, zoning and land use regulations required on the subject site. Closing will occur on or before the earlier of the receipt of the City of Everett building permits for the first project or the first anniversary of the PSA Effective Date.

Also included in the agreement is an option for the Port to require 42 parking spots to be dedicated for "shared use" to park the retail/restaurant component. The Port is in the process of finalizing its Parking Management Plan which will call out the final number of parking spots needed for the restaurant plan. These spaces are critical to the development of the restaurant. The Port will transfer the parking lease to the restaurant developer or the business association.

Terrie Battuello asked the Commission to authorize the Executive Director to execute the Purchase and Sale Agreement with RMJ Holdings, LLC, substantially as presented.

Upon discussion, Commissioner Troy McClelland moved to authorize the Executive Director to execute the Purchase & Sale Agreement with RMJ Holdings, LLC substantially as presented. A vote was called for:

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

Motion carried.

Lease Authorization for Seaworthy Services

Taylor Nuccitelli reported that the WAYA Group, Inc. dba ArrowCat Marine signed a three-year lease extension in July of 2015. This year the majority owner of ArrowCat passed away and his estate is working with Port Staff to terminate their Lease. Seaworthy Services, Inc. is a Washington Corporation that currently provides boat maintenance and refinishing services with a woodshop, machine shop, and dry dock on Lake Union in partnership with Vic Franck's Boat Co. Seaworthy Services is interested in leasing Suite 110 at the Port's Waterfront Center as a means to expand and have access to the Port's state-of-the-art boat yard.

The Port and Seaworthy Services are mutually interested in entering into a three-year lease for Suite 110 (802 square feet). The lease with Seaworthy Services will carry over terms to replace the lease with WAYA Group. The lease has a personal guarantee and a three-month security deposit.

Taylor Nuccitelli asked the Commission to authorize the Executive Director to sign the lease with Seaworthy Services, Inc. substantially as presented.

Upon discussion, Commissioner Troy McClelland moved to authorize the Executive Director to sign the lease with Seaworthy Services, Inc. substantially as presented. A vote was called for:

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

Motion carried.

Lease Authorization for Coastal Marine

Taylor Nuccitelli reported that the Port and Coastal Marine, LLC are mutually interested in entering into a two-year lease for 3,515 square feet of shop space in Suite 111 at the Port of Everett Waterfront Center. Coastal Marine will continue to operate as ArrowCat Marine as the owner of the ArrowCat property. The leased space will be used for the same marine business operations. Coastal Marine will pay \$32,900.40 in their first year of base rent with annual 3% increases.

Taylor Nuccitelli asked the Commission to authorize the Executive Director to approve the Coastal Marine LLC lease, substantially as presented.

Upon discussion, Commissioner Troy McClelland moved to authorize the Executive Director to sign the Coastal Marine, LLC lease substantially as presented. A vote was called for:

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

Motion carried.

Marina 3rd Quarter Report

Marina Master Plan: Staff has been planning for Fisherman's Harbor and some of the in-water work, and for that Staff had a Structural Engineering Assessment and GAP analysis of the south covered moorages done in July. The Port was given some recommendations for some smaller immediate repairs that needed to be done, and also some longer term repairs in the 3 – 5-year period, and possibly removal of specific roofs – possibly L, M, N in the South Marina.

The ECCO Wireless WIFI install was completed and Port Staff has had great feedback in terms of the reliability and strength of signal. Coming up this fall, the Marina will be starting its Ad Hoc Committee meetings. The facilitator is on board and the committee member invites have been sent out.

Maintenance Plan

Winterization of the facilities including fire extinguisher and dry pipe inspections have been performed. PND Engineers did a float condition assessment to determine feasibility of repurposing floats to save costs on dock building. There was damage at the gangway at Marina South Guest Dock #1 and Staff has been working on preparations for replacing the gangway. Staff has been able to locate a refurbished gangway to replace the damaged one but a barge is needed to do the work. Staff will coordinate this project with another project for efficiency.

Operating Efficiencies

The Marina has just started to implement the emergency notification system to quickly notify stakeholders of urgent weather or utility shut offs. A second on-line boat auction was held recently and the Marina was able to move 9 vessels and some miscellaneous gear from the impound yard. Six of the vessels were sold and three were salvaged. The on-line auctions have proven to be an efficient and effective way for the Marina to free up some of the yard space and reduce some Staff time versus a live auction. Staff is evaluating the operating structure of the Maintenance Operating Staff to improve work flow and efficiencies.

The Marina is currently performing its annual moorage rate comparisons as well as yard rates and will present the findings to the Commission in January.

Strategic Marketing

Staff held a Marina Work Group meeting in August including updates on Waterfront Place Central, maintenance items, events, marina security, new WIFI, expected fuel dock improvements and the Ad Hoc Committee. Staff received positive feedback on the Sail-in Cinema event and improved WIFI. Salmon for Soldiers had a good turnout and was once again a successful event in spite of no fishing this year.

Year-to-Date Marina Metrics (2016 vs. 2015)

- Moorage occupancy at 87%; up 3%
- Guest moorage was 5,709; down 12%, These figures were impacted by limited fishing opportunities
- Storage occupancy was 135 boats; up 2%
- Workyard/storage \$185,121; up 9%
- Travel Lift Hauls were 738; up 3%
- Boat Ramp transactions were 28,305; down 22%

Projects

3rd Quarter Engineering & Planning Report

Chief of Engineering & Planning John Klekotka reported that through the 3rd quarter of 2016, major capital expenditures were made on the following projects: Mill-A Interim Action Dredging – dredging began in mid-August and the project

was about 50-percent complete by the end of the 3rd quarter; Weyerhaeuser Building Relocation – the building move occurred in July and construction of the new building foundation continued through the end of the 3rd quarter.

The total capital expenditures budgeted for 2016 are \$45.9 million, including cleanup projects. Approximately \$5.2 million was spent in the 3rd quarter, with a total of \$15.9 million total spent, year-to-date. CIP expenditures were expected to accelerate in the 3rd and 4th quarters, but have been lagging due to the slower than expected startup of the Seiner Wharf and Fisherman's Harbor projects. Construction activities on both of these projects have begun early in the 4th quarter, so the total 2016 CIP spending is expected to be about \$24 million.

Neptune Marine completed repair work of floating docks at Jetty Island, Jetty Landing, Central Docks and South Docks. Marina Maintenance completed installation of new replacement concrete float units at the boat launch.

The 3rd quarter was busy for the On-Call Civil Contractor. Numerous work orders were completed, including:

- Constructed guard rail at the main Terminal gate as part of the Railroad Upgrades Phase 1
- Made security improvements at Union Slough
- Paved areas at the Farmer's Market to assure improved accessibility
- Paved a pedestrian path along the south side of 13th Street for improved safety
- Re-graded gravel parking lots for Properties
- Ground down trip hazards on esplanade concrete sidewalks
- Seal coated the South Marina pedestrian trail adjacent to the Navy base from West Marine View Drive all the way to the river
- Seal coated and re-stripped portions of the Pigeon Creek Trail at the Terminals

Terminal Rail Upgrades, Phase 2 – Authorization to Bid

John Klekotka provided that in early 2016, Port Staff began design work with its project engineer, Moffatt & Nichol (M&N) for the second phase of rail improvements at the Marine Terminals. The purpose of the second phase work is to construct two new track sidings to increase the Port's ability to move cargo via rail. The total amount of new track construction is approximately 2,875 track feet. The project includes four new track turnouts (switches), one of which is being reused from the Phase 1 project.

The project design is 100 percent complete and plans have been submitted to BNSF for review. The two new sidings are consistent with the Marine Terminal Master Plan adopted by the Commission in July 2008.

The total project budget is \$7,300,000. A grant from the Washington State Department of Commerce in the amount of \$970,000 will partially fund the project, and needs to be expended by June 2017. Other funding is being sought from the US Federal Railway Administration (FRA) in the form of a Railroad Rehabilitation and Improvement Financing (RRIF) loan.

John Klekotka asked the Commission to authorize Staff to solicit public works bids for the Terminal Rail Upgrades Phase 2 project.

Upon discussion, Commissioner Tom Stiger moved to authorize Staff to solicit public works bids for the Terminal Rail Upgrades Phase 2 project as presented. A vote was called for:

Vote: 3-0

Yes: Stiger, McClelland, Bachman

No: None
Abstained: None

Motion carried.

Marine Terminal/Marina Pavement Upgrades - Closeout

John Klekotka reported in order to provide for the general upkeep of the Terminal cargo yards, roadways, and parking areas, the Port routinely upgrades pavement surfaces. Port Staff had identified various areas at the Terminals and Marina that required repaving. Work at the Terminals needed to be completed prior to the beginning of dredging work in mid-August. E&P Staff evaluated the pavement areas at both the Terminals and at the Marina and bid the work as a combined contract for the 2016 project.

On June 2, the Port received five bids and the low bid was found to be non-responsive. The Commission awarded the project to the second low bidder, Fidalgo Paving at \$341,512.08. The work was completed in July and August, and Port Staff issued substantial completion on August 30, 2016. There were significant underruns on the project, and the final close-out change order included an allowance to the contractor per Article 10.7 of the General Conditions. The close-out change order resulted in a net deduction of \$63,510, including Washington State Sales Tax (WSST), and the final construction cost was \$278,002.38.

John Klekotka requested that the Commission accept the project as complete and authorize Staff to close out the contract with Fidalgo Paving as presented.

Commissioner Tom Stiger moved that the Commission accept the Marine Terminals and Marina Pavement Upgrades 2016 contract as complete, and authorize Staff to close out the contract with Fidalgo Paving & Construction, LLC in the total final amount of \$278,002.38, including WSST. A vote was called for:

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

Motion carried.

Commission President's Report

Glen Bachman commented that he and Port Staff attended the American Association of Port Authorities (AAPA) annual conference in New Orleans recently and Washington State was well represented.

Commission Discussion

Commissioner Stiger commented that the Coho Fishing Derby is being held this weekend by Bayside Marine and other fishing groups.

Citizen Comments

There were no Citizen comments.

THE REGULAR MEETING WAS RECESSED into Executive Session at 7:40 pm – to conclude by 8:15 pm – to discuss with legal counsel the acquisition of real property for which public discussion would disadvantage the Port's negotiation, and a pending litigation matter.

At the conclusion of the meeting, no action was taken and there were no announcements made.

THE REGULAR MEETING WAS ADJOURNED at 8:15 p.m.

APPROVED this 13th day of December, 2016.

By: 
Glen Bachman, President


Tom Stiger, Vice President


Troy McClelland, Secretary