

**Minutes of Everett Port Commission
Special Meeting
December 6, 2021**

PRESENT:	Tom Stiger	President
	Glen Bachman	Secretary
	David Simpson	Vice President
	Lisa Lefebber	Executive Director
	Eric Russell	Chief Finance Officer
	Jordan Stephens	Port Attorney
ZOOM:	Brad Cattle	Port Attorney

CALL TO ORDER: Commission President Tom Stiger called the meeting to order at 9:02 a.m.

CONSENT AGENDA

- Approval of Regular Meeting Minutes of November 9, 2021; and Special Meeting Minutes of November 16, 2021
- Approval of Bills for November 2021
- ILWU Local 32 A, B & C Contracts

CEO/Executive Director Lisa Lefebber gave a brief summary of the ILWU Local 32 A, B and C contracts which include total pay increases over the three years ranging from 7.8 percent for the Maintenance contract to six percent for the Admin and Security contracts. It includes a couple of items with respect to the healthcare agreement, which will be a six-year health care agreement with a provision that if expenses on those agreements exceed three percent after three years the health care agreement can be re-opened. The Admin contract has a compensation reset on new hires, and the Maintenance contract provides the Port the ability to contract for janitorial work for Port facilities with the understanding that the jurisdiction remains with the ILWU. It is a very good and appropriate package for the bargaining groups, especially in light of the pandemic. Lefebber and staff have been working on these contracts for approximately eight months and happy to recommend approval of the contracts.

Lefebber mentioned Kenny Hudson, ILWU, has been the Business Agent for at least 3 contract negotiations and has been a pleasure to work with. Lefebber believes this was his last contract negotiation and he will soon retire from the Business Agent role. Lefebber thanked Hudson for all the work and the effort he has put into the Port's negotiations over the last 10+ years.

Commissioner Glen Bachman moved that the Commission approve the items on the consent agenda for December 6, 2021 including the Regular Meeting Minutes of November 9, 2021; and Special Meeting Minutes of November 16, 2021 and Approval of the Bills for November 2021, as well as ILWU Local 32 A, B, and C contracts. Commissioner David Simpson seconded the motion. A vote was called for:

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

Motion carried.

COMMISSION PRESIDENT'S REPORT

WPPA Annual Meeting

Commission President Tom Stiger reported all three commissioners attended the Washington Public Port Association this past week in Bellevue, WA as along with several staff members. There were guest speakers regarding the supply chain issues, a meeting regarding the upcoming legislative session and a couple of Port members participate in a roundtable session dealing with marketing and community relations and highlighted the work being done at the Port of Everett.

Holiday on the Bay

Holiday on the Bay was the highlight of the past weekend and Stiger attended the tree lighting ceremony and was surprised by the number of people in attendance despite the weather. Stiger mentioned he knew a lot of work went into the event by Port staff. Communications Specialist Kate Anderson reported that it was a great event and thanked all three commissioners for coming. There were many Port staff volunteers as well as many Port staff working the event. Snohomish County PUD was a huge hit with the arc trailer, Everett Fire Department attended, the Everett Makers Market was open and all of the craft kit's donated by Imagine Children's Museum were distributed. Staff estimated in excess of 3,000 people in attendance throughout the day. The drive-in movie was also a success and very excited for next year.

United Way Campaign

CEO/Executive Director Lisa Lefeber reported Port staff was able to raise thousands of dollars for the Providence Cancer Care Alliance in honor of former Port employee Rick Adams. Lefeber appreciated the staff and the commissioners who attended the event.

COMMISSION DISCUSSION

Commissioner Glen Bachman reported at the WPPA conference he attended the roundtable for airports and a recent study done by the Puget Sound Regional Council indicate that Paine Field is actually the top candidate to be the next regional airport and very likely could become an international airport.

Commissioner Bachman also went to Normandy Park for a presentation for Quilts of Valor, a non-profit organization of people who make quilts and award them to military veterans. They are targeting Vietnam veterans specifically, based on the treatment that returning Vietnam veteran's received. This year alone, nationwide, they have presented 300,000 quilts to military veterans. It was a very moving event and eye-opening.

Commissioner David Simpson stated it was great to be among the other commissioners, along with staff, at the WPPA Annual meeting. It was a good convention as it gave Simpson the opportunity to hear past reports from previously serving Executive Directors. During one of the reports a statement was said to stay connected with the community.

This past Saturday at Holiday on the Bay, Commissioner Simpson had the pleasure to to light the tree. It was an opportunity to engage with a lot of people. Commissioner Simpson thanked all Port staff for putting this event on every year.

CITIZEN COMMENTS

Terry and Donna Lemke sent a letter to the Commission regarding Hat Island parking, attached hereto.

CEO/EXECUTIVE DIRECTOR'S REPORT

Resolution No. 1183 (2021) – Acknowledging the Retirement of Brad Cattle

CEO/Executive Director Lisa Lefebber presented Resolution No. 1183 (2021) which acknowledges the contributions of Brad Cattle during his time as Port Legal Counsel. He will retire December 31, 2021 from Anderson Hunter Law Firm. Brad has provided invaluable legal counsel to the Commission and to the management and employees of the Port of Everett.

Lefebber stated Cattle was one of the first people she met when she was hired on at the Port of Everett and has always valued his opinion and his mentorship and guidance. Cattle is the epitome of what the Port of Everett stands for. Every major decision the Port has entered into in the last 30+ years, he has been in the background guiding and giving advice. Port of Everett staff love and appreciate Cattle and wish him well in retirement.

After discussion, Commissioner David Simpson moved that the Commission adopt Resolution No. 1183 (2021) acknowledging the Retirement of Brad Cattle, Port Legal Counsel. Commissioner Glen Bachman seconded the motion. A vote was called for:

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

Motion carried.

Business Ending Slavery and Trafficking (BEST) Linking Agreement

Director of Security Ed Madura reported in 2020 Port security and marine terminal operations staff completed online training to recognize and prevent human trafficking and slavery. The Port is now looking to train all staff and recommend entering into a three-year agreement with the non-profit organization BEST (Businesses Ending Trafficking & Slavery) to carry out this training. BEST equips companies to use the power of business to prevent human trafficking. BEST provides web-based training materials on this issue.

Upon discussion, Commissioner Glen Bachman moved that the Commission approve the memorandum of agreement with the organization BEST "Businesses Ending Trafficking and Slavery" to further train port staff and support this effort and authorize the CEO/Executive Director to sign the memorandum of agreement. Commissioner David Simpson seconded the motion. A vote was called for:

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

Motion carried.

January 2022 Commission Meetings

CEO/Executive Director Lisa Lefebber reported that the January 2022 commission meetings will be January 5 and January 11 starting at 12:00 p.m.

COVID-19 Updated

CEO/Executive Director Lisa Lefebber reported on November 23 a Reimbursable Services Agreement was signed with U.S. Customs to be able to assist with cargo movement through the Port. Staff has been

working on this agreement for a while. While there is no Commission action required, Lefeber wanted to highlight the agreement as it triggers a mandate for federal contractors regarding covid vaccination. Effective January 4, all Port staff will be required to have initiated vaccination and there will be no testing option allowed. Lefeber stated medical and religion exemptions will be allowed but if individual staff choose not to get vaccinated without an exemption the Port will part employment for those individuals.

CHIEF FINANCE OFFICER'S REPORT

3rd Quarter Financial Report

Chief Financial Officer Eric Russell gave a brief 3rd Quarter Financial Report. The third quarter financial results have continued to reflect the activity at the seaport as well as good results from the marina and property management. The total revenue increase from 2020 is \$9.6 million and \$8.6 million of that is from the terminal activity, \$780,000 from marina activity and \$200,000 from properties. There has been a number of short-term rentals in properties that the Port did not expect. The marina moorage rate increases in general, along with more activity, haul outs are up and fuel sales are up. The total revenue thru the third quarter of 2021 is \$32.2 million.

The expenses are also up however that is related to activity mainly at the seaport. PMA and Stevedores expense has increased considerable because of the additional activity resulting in marine terminal expenses up \$4.7 million. Marina and admin expenses are relatively flat year over year. Properties are up \$600,000 primarily due to a focus on maintenance in 2021.

Overtime is up at both seaport and marina, primarily related to the activity levels.

Income before depreciation Port wide is looking good with \$4.3 million budgeted, last year \$5.4 million, with this year \$9.7 million. Gross margin in the third quarter was 30.2% vs 23.8% so while the activity is going up, costs continued to be monitored closely and are not out of line.

The balance sheet shows \$19.2 million in cash and investments, which is down from 2020 about \$3 million, reflecting some of the work that is on going with projects, including Norton Terminal, A8 and A17. Liabilities are up slightly related to enviromental costs accrued from the KC purchase.

SEAPORT MODERNIZATION

Norton Terminal

Interlocal with City of Everett

Director of Environmental Programs Erik Gerking reported Port Staff is seeking Commission authorization to enter into an Interlocal Agreement (Agreement) with the City of Everett (City) related to Norton Terminal. The primary objectives of the agreement are to 1) authorize the release by the City of certain easements affecting Norton Terminal, and 2) authorize the Port to provide a construction license and permanent easement for the benefit of the City for the City's to-be-constructed 12-inch forcemain and 42-inch combined sewer line (CSO) through Norton Terminal (Pipelines).

As background, the City's new Pipelines will be connected in the future to their existing combined stormwater and sanitary sewer system through its water clarifier facility, which it recently purchased from Kimberly-Clark. This connection to the clarifiers is a key aspect of the City and the Department of Ecology's efforts to reduce sewer overflow events to Puget Sound.

It is the intent of both parties to timely construct the Pipelines before the completion of the current Norton Terminal construction to avoid future physical and operational impacts to Norton Terminal. This Agreement was negotiated with the intent to eliminate and minimize various risks the construction of the Pipelines could pose to the Port. The Agreement contains several key aspects to support these objectives:

1. Release of City Easements and Encumbrances: All non-utilized City easements and encumbrances are to be released by the City from the Port's Norton Terminal Property.
2. Non-exclusive Permanent Easement for the Pipelines: The 42-inch Pipeline and a 12-inch force main will be installed at approximately 12 to 19-feet below final grade of the site, and the Port's utilities will cross the easement area in several locations at shallower depths. The easement also allows for a potential second sewer line
3. Environmental Indemnity: The City is responsible for environmental remediation encountered as part of its construction.
4. Construction License for the Pipeline: Among other items, the Construction License requires:
 - a. Close coordination between the Port and City to deconflict their respective contractors, with the intent to eliminate or minimize impacts to the Port's contractor and the Port's operational needs.
 - b. The City to construct from south to the north and diligently release, back to the Port's contractor, portions of the license area as they are completed.
 - c. The City to manage stormwater and eliminate dust in accordance with the Port's existing permits and oversight.
 - d. The City to complete its construction no later than June 30, 2022, generally synchronizing with the Port's contractor's paving schedule, including a provision for liquidated damages.
 - e. A 1-year warranty for any effects the City's construction might have on the Port's facility as a result of any defective construction.

The Agreement will allow the City to construct its pipeline at an opportune time when the Port's terminal is under construction, and it ultimately fits with the broader goal of protecting and improving the health of Puget Sound.

After discussion, Commissioner David Simpson moved that the Commission approve Interlocal Agreement between City of Everett and Port of Everett relating to Norton Terminal in the form substantially as presented and authorize the CEO/Executive Director to sign the Interlocal Agreement. Commissioner Glen Bachman seconded the motion. A vote was called for:

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

WATERFRONT PLACE

Phase 2 Millwright District Developer Selection

CEO/Executive Director Lisa Lefeber reported the Port of Everett issued a Request for Qualifications for quality and experienced private developers interested in partnering on the next phase of commercial,

retail and residential at the Port's 65- acre Waterfront Place mixed-use development. Port staff interviewed two responsive developers and is unanimously recommending entering into an Exclusive Negotiating Agreement with LPC West, Inc. to negotiate a long-term ground lease of approximately 10 acres of the Millwright District.

J.P. Harlow, Alex Aigner, and Patrick Gilligan from LPC West gave a brief presentation on their Request for Qualifications submittal. LPC West is responsible for a portfolio of over 33 million square feet of commercial properties developed, managed and/or leased. Their focus on performance, consistency, and stability is balanced by their commitment to delivering vibrant places that inspire collaboration and deliver lasting, positive impact for the communities they serve. LPC West is currently leading a 365,000-sf office development effort at the Port of Vancouver USA Terminal 1 project and a 560,000-sf mixed use development at the City of Vancouver Washington Waterfront Gateway project.

Patrick Gilligan stated LPC West is very excited for the partnership opportunity with the Port of Everett and thanked the Port for allowing them to present a little bit about the initial vision for the project and certainly look forward to working with Lisa Lefeber, Commissioners and staff on a successful project.

Upon discussion, Commissioner David Simpson moved that the Commission approve the Exclusive Negotiating Agreement with LPC West, Inc., substantially as presented and authorize the CEO/Executive Director to sign the Agreement. Commissioner Glen Bachman seconded the motion. A vote was called for:

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

Motion carried.

DEPARTMENTS

Properties

Everett Yacht Service Lease

Real Estate Manager Tara Hays reported Lambeth and Messick Marine LLC dba Everett Yacht Service and Repair (Tenant) is currently in possession of Suite 116 and work yard space on a 3-year rental agreement set to expire November 30, 2022. Tenant has requested a longer term (10+ years) commencing on January 1, 2022. Rent for the suite/shop premise (2,910 rental square foot (RSF)) begins at \$12/rsf/year, and for the work yard premises (2,400 RSF) at \$3.60/rsf/year; both with 3% annual escalations. The lease has two 5-year options to extend and provides an option for the tenant to relocate to the Ameron site if the Port provides a refurbished building. A broker commission is owed to Broderick Group as the listing agent of this transaction. The Port will receive gross revenue of \$456,293.33 over the course of this lease and will recover leasing costs (3 months abated rent + broker commission) in 4.8 months.

After discussion, Commissioner Glen Bachman moved that the Commission approve the shop and work yard lease with Lambeth and Messick Marine, LLC dba Everett Yacht Service for a total of 5,310 RSF at Waterfront Place Center comprised of Suite 116 of 2,910 RSF and work yard of 2,400 RSF with a cash security deposit in the amount of \$5,300, in the form substantially as presented and authorize the CEO/Executive Director to sign such lease. Commissioner David Simpson seconded the motion. A vote was called for:

Vote:	3-0
Yes:	Bachman, Simpson, Stiger

No: None
Abstained: None
Motion carried.

Executive Session

Commission President Tom Stiger recessed the meeting at 10:33 a.m. for an Executive Session which began after a short break. The meeting was expected to last 20 minutes. The purpose of the Executive Session was to review the performance of a public employee.

At 10:55 a.m. in open session, Port legal counsel Jordan Stephens announced that the Executive Session would be extended an additional 10 minutes – to conclude by 11:05 a.m.

At 11:05 a.m. in open session, Port legal counsel Jordan Stephens announced that the Executive Session would be extended an additional 10 minutes – to conclude by 11:15 a.m.

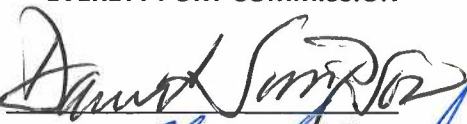
At 11:15 a.m. in open session, Port legal counsel Jordan Stephens announced that the Executive Session would be extended an additional 5 minutes – to conclude by 11:20 a.m.

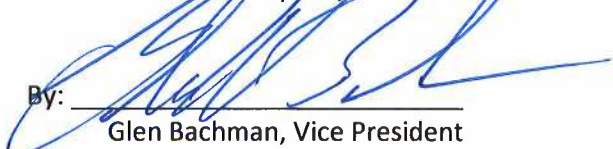
At the conclusion of the Executive Session, there was no action taken by the Commission and there were no announcements. The Regular Commission meeting adjourned at the conclusion of the Executive Session.

THE SPECIAL MEETING WAS ADJOURNED at 11:20 a.m.

APPROVED this 11th day of January, 2022.

EVERETT PORT COMMISSION

By: 
David Simpson, President

By: 
Glen Bachman, Vice President

By: 
Tom Stiger, Secretary



ORIGINAL

Port of Everett
Voucher Certification and Approval
for the month of
NOVEMBER
2021

AP Claims Transactions		Total
Claim Checks Issued	90859 - 90964	\$1,274,487.57
P-Card Transactions		94,297.27
ACH Transactions	#1535 - 1603	3,394,669.81
Total Claims Check Register		4,763,454.65

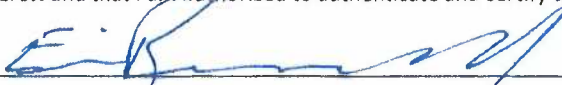
Electronic Claims Transactions:		
11/1, 11/4, 11/8, 11/9	Electronic Transfer - Health Equity/Navia/Guardian/Accrue CMS	\$16,763.23
11/12, 11/29	Electronic Transfer - IRS	213,405.35
11/26	Electronic Transfer - WA St Dept of Rev	64,117.39
11/1, 11/2, 11/5, 11/15	Electronic Transfer - U.S. Bank	7,175.75
11/1	Electronic Transfer - U.S. Bank LOC Fees	1,114.58
11/30	Electronic Transfer - Paylocity	1,798.50
11/30	Electronic Transfer - US Bank	4,163,100.64

Total Electronic Claims		4,467,475.44
Total Claims		9,230,930.09




Payroll Transactions		
Payroll Checks Issued	Dir Deposit/Check	\$570,864.80
11/2, 11/9, 11/16, 11/23, 11/30	PMA Payroll (Longshore Labor)	618,977.48
Total Payroll		1,189,842.28

Total Payments		10,420,772.37
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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 and 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 7th day of December, 2021:

 President
 Vice President
 Secretary

11-18-21

Port of Everett Commissioners

Our names are Donna and Terry Lemke and we have had a cabin on Hat Island since 1990. We are now 80 years old and find it difficult to walk the long distance to area 8 where we have paid for year round parking. There are a lot of other seniors on the Island like us. While walking , we pass about 200 other parking spots that are open. Is it possible that seniors could park closer to the ferry if they paid some extra on the annual parking pass? We and the other seniors on the Island would appreciate you considering this.

Terry and Donna Lemke
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