

**Minutes of Everett Port Commission
Regular Meeting
March 8, 2022**

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

CALL TO ORDER: Commission President David Simpson called the meeting to order at 12:00 p.m.

CONSENT AGENDA

- Approval of Regular Meeting Minutes of February 1, 2022; and Regular Meeting Minutes of February 8, 2022
- Approval of Bills for February 2022
- First Amendment to Employment Agreement

Commissioner Glen Bachman moved that the Commission approve the items of the consent agenda for March 8, 2022 including the Regular Meeting Minutes of February 1, 2022, and Regular Meeting Minutes of February 8, 2022, and Approval of the Bills for February 2022, as well as Approval of the First Amendment to Employment Agreement. Commissioner Tom Stiger seconded the motion. A vote was called for:

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

Motion carried.

Commission President's Report

Commission President David Simpson thanked everyone who helped with the Commission Retreat last week. A lot of great information was shared with the Commission, and he is looking forward to moving projects forward.

Commission Discussion

Commissioner Tom Stiger wondered with the price of gas and diesel increasing within the last couple weeks, what affect does that have on the marina gas dock operations. The Port buys it at a fixed price and then re-sell it to the boaters. Is the port attempting to adjust the prices accordingly to the market or taking advantage of the fact that the Port bought the gas and diesel when prices were lower? Chief Financial Officer Eric Russell reported that the Port does buy fuel off a rack rate through a State of Washington contract and changed the price at the fuel dock upon delivery of new fuel to the tanks. The Port adjusts when bought, the Port does not adjust in between. This time of the year, the Port doesn't buy a lot but, in the summer, the Port may be buying a couple tanks a month at about twenty thousand gallons each time.

Commissioner Stiger asked about buying fuel for Port owned vehicles, is that bought on the open market? Russell stated that is the same process, use the same contract through the State of Washington to get it at a wholesale price and have gas and diesel tanks on Port property for Port vehicles.

Commissioner Glen Bachman stated today is International Women's Day and reflected on a 2015 Kinsey Study thesis about women.

Citizen Comments

Enn Mikk, Marina Tenant for almost 44 years, stated to the commission that the Port wants to take away parking places on the end of south docks I and J. There are ten spots total with two of them being handicap. The Port wants to take out the handicap spots and put in part of the wine walk. Mikk stated these are premium spots for those docks to load and unload their stuff. These two docks generate almost about \$100,000 per month to the Port and Mikk doesn't know what a wine walk will generate but to take people that are spending that kind of money to provide to the Port and take away their parking is unfair and is not a wise business move.

Commissioner Tom Stiger stated parking in relationship to the south marina and the wine walk was discussed at last week's Commission Retreat. Staff is aware of the need to replace the small number of marina permit parking spots.

CEO/Executive Director Lisa Lefebber added with respect to the wine walk there will be a few spots lost. Lefebber noted that six to eight months ago, the properties team changed how the Port laid out the south marina parking and moved permit parking right up against the promenade. Historically that has also been visitor parking and ADA parking. As part of the project, the Port will be moving the marina permit parking back where it has historically been. The Port will take into consideration a load/unload zone and direct access to gates. There will also be dumpsters and dock carts, etc. there too. Lefebber recognizes that it will be a change and the Port has plans to replace any spots that are removed and will also be keeping all marina permit parking right up against the wine walk. All visitor parking will be back towards the road.

CEO/EXECUTIVE DIRECTOR'S REPORT

CEO/Executive Director Lisa Lefebber reported to be consistent with the Governors orders, effective March 11, 2022, all Port of Everett masking requirements and Covid protocols will end.

Lefebber also reported in 2020, there was a hiring freeze at the Port, and projects were delayed due to the anticipated business impact of Covid, but the Port team really stepped up and filled that gap while navigating through the aerospace losses and uncertainty around the pandemic. The Port has been staffing back up to refill those positions and get to a point to manage all the activities and capital projects. There has also been a lot of staff movements and retirements in the last couple years. Between 2021 and 2022, the Port hired eight out of ten new positions and did have additional staff move around which created additional openings in various areas of the Port. There are currently 11 job openings. A lot of them are Maintenance Apprentices for the seaport, as well as additional Customer Service Representatives and Security Officers for the marina, a new Fuel Dock Attendant, and a Business Application Specialist to help with IT needs. There are indications that there will be quite a few staff members retiring in the next five years, so the Port is trying to build a bench in anticipation as well.

CHIEF FINANCE OFFICER'S REPORT

2021 Preliminary Financial Results Report

Chief Financial Officer Eric Russell presented the 2021 fourth quarter preliminary financial report. Russell emphasized that this is preliminary, and the audit will be starting on April 1. Russell presented the outline for operations, non-operating, and net position (balance sheet). The revenue for 2021 was good and was the second-best operating result on the revenue side for the marine terminals in the Port's history with the record being \$31.9 million in 2015 versus \$31.8 million in 2021. The marina increase was \$1.1 million from 2020 and properties increased by \$262,000 from 2020. Russell noted that 68% of the revenue for 2021 came from the terminals and about a quarter of it came from the marina. Operating expenses totaled \$32.1 million which is 32.5% greater than 2020. Russell noted salaries, benefits and outside services consumes about 80% of the Port's budget. Port wide income before depreciation was \$14.7 million which was double from 2020. Russell reported that the State Auditors are very busy right now with several new audits at other entities and they

requested if the Port is ok with no Accountability Audit for 2021, which reviews compliance with state laws and Port policies, as well as controls over the safeguarding of public resources. The auditors stated the Port of Everett is considered low risk because of the good audit results in years past. The auditors would continue to do the Financial and Federal Single Audit and only suggest skipping the Accountability Audit for one year. The Port Commission had no objection to the State Auditors request.

WATERFRONT PLACE

PND Engineers Contract Modification

Project Manager Brandon Whitaker reported that in 2015 the Port Commission, after a Request for Qualifications process, awarded a task-order based Professional Services contract of up to 10 years in total length to PND Engineers to help implement the Port's Strategic Initiative – Waterfront Place Central (WPC).

PND's current contract, from 2015 to present, is valued at \$9.45 million and has included the planning, design and construction support for the Port's WPC Phase 1 infrastructure projects. This investment by the Port has yielded over \$100 million in private investment through the first phase of WPC. As the development moves into Phase 2; this investment will help guide the Port through new public infrastructure and private development projects. The total contract increase request of \$750,000 reflects design, planning, and construction phase support for known projects taking place in 2022 and 2023. This will increase the total compensation of the contract on a time-and-materials basis to \$10,200,000. The contract modification is intended for the following main project areas in 2022: completing design of Phase 2 infrastructure to support development of the Millwright District; planning and design for new amenities such as public access trails, new restrooms, and parking lots; and construction administration services for upcoming construction projects. It is anticipated there will be additional contract modifications in the future as the sequence of Phase 2 projects become clearer.

In addition to the increase in the PND contract, staff is requesting approval of revised Task Order 18.01 – Millwright Loop Roads and Marina Parking Lots Design, in the amount of \$650,000. Task Order 18.01 was originally authorized by the Commission during Contract Modification #4 on February 12, 2020 for planning and design of Millwright Loop South; however, the task order was not implemented. With the current development strategies for Phase 2, Task Order 18.01 has been refreshed to accurately support this approach.

After discussion, Commissioner Glen Bachman moved that the Commission approve Modification #6 to Professional Services Agreement #1-2015-005 with PND Engineers, a contract for Waterfront Place Central design and engineering services, to increase the total compensation on a time-and-materials basis by \$750,000 to a total of \$10,200,000 and authorize the CEO/Executive Director to sign the Modification. Commissioner Tom Stiger seconded the motion. A vote was called for:

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

Commissioner Tom Stiger moved that the Commission approve Task Order 18.01 – Millwright Loop Roads and Marina Parking Lots Design, in the amount of \$650,000. Commissioner Glen Bachman seconded the motion. A vote was called for:

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

Fuel Tanks Relocation & Upgrade – Request for Bid Authorization

Project Manager Brandon Whitaker reported that as Waterfront Place Central construction moves west to the second phase of development, the current underground gas and diesel tanks that support the marina fuel dock must be moved to make way for future construction.

In 2021, the Port received a \$5,254,800 grant to support relocating and replacing these fuel tanks and to construct improvements at the fuel dock. The upland fuel tanks project is the first leg of this two phased projects. This project includes removing aged underground gas and diesel tanks and existing concrete vault; preloading the future location of the new fuel tanks to reach soil settlement; excavate for future tanks; install new direct burial tanks (30,000-gallon diesel and 30,000-gallon gas), install monitoring technology and requisite piping and venting; and backfill, pave, and restore impacted portion of marina parking lot. The grant guidelines dictate construction to begin in summer 2022. The total construction time is anticipated to last approximately one year.

Upon discussion, Commissioner Tom Stiger moved that the Commission authorize Staff to solicit public works bids for the Fuel Tanks Relocation and Upgrade project. Commissioner Glen Bachman seconded the motion. A vote was called for:

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

Motion carried.

DEPARTMENT REPORTS

Properties

NSF International Food Safety – Amendment to Lease

Real Estate Manager Tara Hays reported NSF International Food Safety is an existing tenant currently in possession of Suites 223, 227, & 228, in Marina Village SM-1 Building. Tenant has requested a 1-year lease agreement. Rent for the premises is starting at \$21/rsf/yr. The Port will receive gross revenue of \$31,269 over the course of this lease and there are no leasing or other costs to recover.

After discussion, Commissioner Glen Bachman moved that the Commission approve the Second Amendment to Office Lease with NSF International Food Safety in a form substantially as presented and authorize the CEO/Executive Director to sign the Lease. Commissioner Tom Stiger seconded the motion. A vote was called for:

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

Motion carried.

DeckFX Inc.– New Ameron Lease

Real Estate Manager Tara Hays reported DeckFX Inc. is a marine flooring and decking company currently located in Everett on West Casino Road. DeckFX Inc. has requested a 1-year lease agreement for a portion of the AM-4 Building, which is one of the former Ameron buildings that is currently unoccupied. Rent for the premises is starting at \$11.40/rsf/yr. The Port will receive gross revenue of \$12,312 over the course of this lease and there is a commission owed to Broderick Group as the listing agent of this transaction to be taken from rental proceeds. The initial leasing costs including tenant improvements (not to exceed \$8,000) will take a little more than nine months to recover. The bonus to this lease is that the building that has been largely vacant and this will provide a presence in that area.

Upon discussion, Commissioner Tom Stiger moved that the Commission approve the Commercial Lease agreement with DeckFX, Inc. in a form substantially as presented, and authorize the CEO/Executive Director to sign the Lease. Commissioner Glen Bachman seconded the motion. A vote was called for:

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

Executive Session

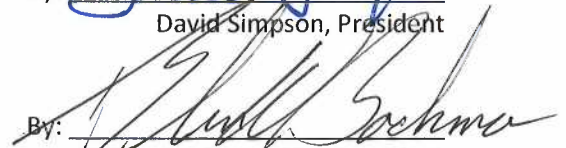
No Executive Session was held.

THE REGULAR MEETING WAS ADJOURNED at 1:08 p.m.

APPROVED this 12th day of April, 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
FEBRUARY
2022

AP Claims Transactions		Total
Claim Checks Issued	91125 - 91219	\$1,491,376.23
P-Card Transactions		71,731.07
ACH Transactions	#1764 - 1859	4,625,729.88
Total Claims Check Register		6,188,837.18
Electronic Claims Transactions:		
2/2, 2/7, 2/8, 2/10, 2/14, 2/22, 2/24, 2/25	Electronic Transfer - Health Equity/Navia/Guardian/Accrue CMS	\$16,310.83
2/14, 2/25	Electronic Transfer - IRS	217,004.80
2/28	Electronic Transfer - WA St Dept of Rev	84,070.54
2/2, 2/3, 2/7, 2/14	Electronic Transfer - U.S. Bank	4,174.55
2/1	Electronic Transfer - U.S. Bank LOC Fees	753.47
2/28	Electronic Transfer - Paylocity	2,623.30
Total Electronic Claims		324,937.49
Total Claims		6,513,774.67
Payroll Transactions		
Payroll Checks Issued	Dir Deposit/Check	\$554,066.97
2/1, 2/8, 2/15, 2/23	PMA Payroll (Longshore Labor)	588,064.94
Total Payroll		1,142,131.91
Total Payments		7,655,906.58

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: _____
 DocuSigned by:

 _____ Port Auditor
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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 March, 2022: See Attached

 President
 _____ Vice President
 Secretary