

**Minutes of Everett Port Commission
Regular Meeting
November 1, 2022**

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

ZOOM: Lisa Lefebber CEO/Executive Director

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

Commission President's Report

Commission President David Simpson reported on Saturday, October 29, 2022, he attended the ribbon cutting for the opening of the newly expanded Imagine Children's Museum. Commissioner Simpson thanked CEO/Executive Director Lisa Lefebber, Communications and Marketing Director Catherine Soper and the Public Affairs team for doing an excellent job with the new exhibit.

Commission Discussion

Commissioner Glen Bachman reported he, CEO/Executive Director Lisa Lefebber and Commissioner Tom Stiger attended the American Association of Port Authority (AAPA) Annual Convention in mid-October held in Orlando, Florida. A couple of topics discussed were renewable energy and supply chain issues.

Commissioner Tom Stiger reported the Port received two awards at the AAPA Annual Convention, the Lighthouse Award for Facilities Engineering for the South Terminal Modernization and also received an Award of Excellence for Pacific Ice, the special event pop-up ice rink. Lefebber added that it is an amazing award that the team received. They competed with 53 projects from ports throughout the western hemisphere and to get number one spot is impressive.

Commissioner Stiger thanked Port staff for putting together the United Way chili feed and all the proceeds going to the United Way fund. Commissioner Simpson added there will be two more opportunities to support United Way, November 17 and November 22.

Citizen Comments

Brice Howard sent in an email to the Commissioners and Marina Staff regarding the kayak storage and rates. Commissioner Tom Stiger talked to him recently and told him that Marina Staff will get back to him and consider the storage areas and the rates for the kayaks.

CEO/EXECUTIVE DIRECTOR'S REPORT

CEO/Executive Director Lisa Lefebber reminded the commission that the Port of Everett is hosting Economic Alliance of Snohomish County State of the Station next Wednesday, November 9 in the Blue Heron Room.

CHIEF FINANCE OFFICER'S REPORT

3rd Quarter Financials Report

Chief Financial Officer Eric Russell gave an update on the 2022 third quarter financial report. Revenue for the first three quarters was \$21.8 million greater than budget and \$13.2 million greater than 2021. This was led by the marine terminals which had revenue of \$33.4 million for the first three quarters of 2022 versus \$20.9 million in 2021. The marina revenue is \$9.5 million which is up from \$8.8 million last year and properties revenue is \$2.5 million which is down slightly from \$2.6 million last year. Properties had a one-time revenue payment last year of \$175,000. The Port is seeing a slight leveling off of revenue.

On operating expenses, the Port is 48 percent over budget but that is not surprising with the added activity. Operating expenses for the three quarters total \$28 million versus a budget of \$18.9 million. The Port was at \$22.5 million last year. The gross margin for the third quarter was 38 percent and budgeted 19.8 percent. The gross margin last year was 30 percent.

Income before depreciation for the first three quarters Port wide was \$17.4 million, which is up \$7.7 million from last year and greater than the \$4.7 million that the Port had budgeted. The majority of that comes from the marine terminals.

Non-operating income and expenses are tracking close to the budget and close to last year. The budget for non-operating revenues year to date is \$4 million, the budget is \$3.9 million. This is primarily property tax.

The statement of net position has a decrease in current assets. Accounts Receivable started the year at \$11.4 million, at the end of September it was at \$6.5 million, almost cut in half. Cash and investments are \$11.9 million as of September 30 which is down from last year.

Presentation of 2023 Budget

Chief Financial Officer Eric Russell presented an overview of the 2022 Preliminary Budget. Russell reported they have had one-on-one meetings with the commissioners since July 2022 and Russell has been in front of the commission four times discussing the budget in a commission meeting. Russell went over the preliminary budget, the financing plan, and a tax resolution. Next week, after receiving any public comment, Russell will be asking for approval of these resolutions.

The commissioners received the 2023 Citizen Budget Guide right before the meeting which will be posted on the Port's website along with the draft resolutions as of today.

After discussion, Commission President David Simpson opened the public hearing at 1:03 p.m. for the 2023 Property Tax Levy and Preliminary Budget and asked for public comments.

There were no public comments.

Commissioner Simpson recessed the public hearing at 1:04 p.m. until the next Port Commission meeting at 12:00 p.m. on November 8, 2022.

**SEAPORT MODERNIZATION
NORTON TERMINAL**

Ribbon Cutting

CEO/Executive Director Lisa Lefebber reported Norton Terminal is moving to completion and expect to have the original scope substantially complete by Thanksgiving. On December 1, 2022 at 10:00 a.m. there will be a ribbon cutting for the facility.

Executive Session

Commission President David Simpson recessed the meeting into Executive Session at 1:08 p.m. for approximately 12 minutes – to conclude by 1:20 p.m.

The purpose of the Executive Session was to discuss with legal counsel representing the agency pending litigation to which the agency is a party.

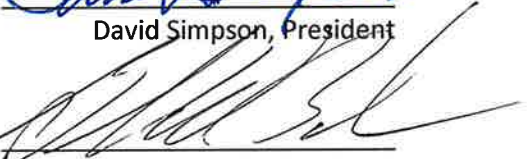
At the conclusion of the Executive Session, there was no action taken by the Commission and there were no announcements. The Regular Commission meeting adjourned at the conclusion of the Executive Session.

THE REGULAR MEETING WAS ADJOURNED at 1:20 p.m.

APPROVED this 12th day of December, 2022.

EVERETT PORT COMMISSION

By: 
David Simpson, President

By: 
Glen Bachman, Vice President

By: 
Tom Stiger, Secretary