

**Minutes of Everett Port Commission  
Regular Meeting  
October 11, 2022**

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

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

**CONSENT AGENDA**

- Approval of Special Meeting Minutes of September 7, 2022; and Special Meeting Minutes of September 20, 2022
- Approval of Bills for September 2022

Commissioner Tom Stiger moved that the Commission approve the items on the consent agenda for October 11, 2022, including the Special Meeting Minutes of September 7, 2022; the Special Meeting Minutes of September 20, 2022; and the Bills for September 2022. Commissioner Glen Bachman seconded the motion. A vote was called for:

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

Motion carried.

**Commission President's Report**

Commission President David Simpson thanked Government Affairs Manager Adam LeMieux and Director of Environmental Programs Erik Gerking for the Blue Heron Slough tours on September 30 and October 7 with elective officials. It was an opportunity for Commissioner Simpson and other attendees to see the work that the Port and other parties involved have done.

**Commission Discussion**

Commissioner Tom Stiger reported last Thursday that him, Commissioner David Simpson, Government Affairs Manager Adam LeMieux, and CEO/Executive Director Lisa Lefebber attended the EASC Public Officials breakfast meeting which gave an opportunity for citizens to raise questions and issues with any of the elected officials from the County and the City.

**Citizen Comments**

There were no citizen comments.

**CEO/EXECUTIVE DIRECTOR'S REPORT**

CEO/Executive Director Lisa Lefebber welcomed the newest Port employee, Barbara Browning, who replaced Tami Mitchell, as the new Claims and Contracts Administrator.

The former Kimberly Clark site, Norton Terminal, is making very good headway. Lefeber let the Commission know that the Port is looking anywhere between November 30 and December 2 for a ribbon cutting. Staff is working with Elected Official to figure out when they might be back in town from Washington DC since so much of the project was funded through a federal grant. There will be a calendar invite sent out as soon as staff hears back.

Lefeber also reported that Saturday, December 3, is Holiday on the Bay festivities. Next month, Communications and Marketing Director Catherine Soper will share what is planned .

With respect to Smith Island as a loop rail facility of interest, given the Cascade Industrial Center and growth at the Seaport as well as the new terminal coming, including the strong demand for industrial real estate around Port facilities, the owners of the Smith Island property hired a broker to offer the property up for sale. The offers were due today. Clearly the Port is not in a position in terms of time and resources to be able to put together an offer for them to consider. However, Lefeber worked with Chief of Operations Carl Wollebek on a letter that was submitted to the broker that essentially asks that they preserve the ability to use the property as a loop rail facility. The Port continues to pursue interests in the idea and have lots of interests by private partners, but the timing does not work to be able to put everything together.

Lefeber, Commissioner Glen Bachman and Commissioner Tom Stiger will be traveling next week for the Annual American Association of Port Authority (AAPA) conference where they will be presented with the Engineering Award of Excellence for the South Terminal Modernization project . Lefeber thanked Chief of Engineering and Planning John Klekotka and his team for their hard work on that project. Lefeber also thanked Soper and the Public Affairs team for their efforts on the Pacific Rim Ice Rink and receiving an award for that as well.

#### **DNR Open Water Disposal Agreement**

Associate Port Planner Garrett Jensen presented a Site Use Authorization Agreement for dredged material disposal with Washington Department of Natural Resources. Commission authorization is required due to indemnification language in the agreement. The Port enters into this agreement due to its obligations as Local Sponsor for the Corps' maintenance dredging of the federal navigation channel. It allows the Corps to dispose of material at the Port Gardner open water disposal site. Total disposal costs will be based on final disposal quantities and is anticipated to total approximately \$142,000. The balance for total disposal costs will be due in the winter/spring of 2023 after maintenance dredging is completed.

Upon discussion, Commissioner Glen Bachman moved that the Commission approve and authorize the CEO/Executive Director to execute the DNR Site Use Authorization Agreement in a form as substantially as presented. Commissioner Tom Stiger seconded the motion. A vote was called for:

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

#### **CHIEF FINANCE OFFICER'S REPORT**

##### **Update on Budget Process**

Chief Financial Officer Eric Russell reported staff is continuing to work through a financing plan. Executive Staff met to review the numbers presented so far and changes are ongoing. Russell will have a plan to

share with the Commissioners towards the end of the month at their one-on-one meetings and then have something ready for the next commission meeting in November.

**Resolution No. 1196 (2022) – US Bank Line of Credit**

Chief Financial Officer Eric Russell reported the Port has had a line of credit (LOC) from US Bank since October 27, 2017. This has been used for cashflow needs and to provide bridge financing in anticipation of longer-term financing. The LOC is for one year and therefore must be renewed annually. The LOC is available for an amount of \$10 million. For the renewal there has been an increase in the margin applied to the index rate. For the tax-exempt notes, the rate increased from .35 percent to .47 percent which would be \$3.29 per day for additional interest per million borrowed. For the taxable note the rate increased from .43 percent to .52 percent which would be \$2.47 per day of additional interest per million borrowed. There are no other changes to the terms, except the termination date.

After discussion, Commissioner Tom Stiger moved that the Commission approve Resolution No. 1196 (2022) authorizing the renewal of a \$10 million line of credit with US Bank for one year. Commissioner Glen Bachman seconded the motion. A vote was called for:

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

**SEAPORT MODERNIZATION**

**NORTON TERMINAL**

**Warehouse – KPFF Contract Modification**

Chief of Engineering & Planning John Klekotka reported the Port needs to increase the contract with KPFF for the Norton Terminal Project for the initial designing for the warehouse building remodel, in the amount of \$1,000,000. If this third modification is approved, KPFF's total contract amount would be \$4,900,000. Staff and KPFF's design team are working on developing specific scopes of services for ongoing engineering and architectural design tasks, including strategies to package work for construction. This remains a Task Order based contract, and individual task orders under this overall contract will be brought back to the Commission for approval if they exceed the CEO's contract authority.

Upon discussion, Commissioner Glen Bachman moved that the Commission authorize the CEO/Executive Director to execute a third contract modification to KPFF's professional services contract, PSA 1-2020-02, in the amount of \$1,000,000. Commissioner Tom Stiger seconded the motion. A vote was called for:

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

**WATERFRONT PLACE**

**South Fork Bakery Tenant Improvements**

Project Manager Brandon Whitaker reported the A8 commercial building in Fisherman's Harbor will be the future home for South Fork Bakery. This project represents improvements to the future tenant space for South Fork Bakery.

The scope of work includes bringing underground utility stub ups for future tenant fixtures, , building the interior and demising walls for the space, pouring the concrete slab for the future floor, installing necessary electrical outlets, installing HVAC ductwork and components, and coordination with Puget Sound Energy to deliver natural gas to the building.

After discussion, Commissioner Tom Stiger moved that the Commission authorize the CEO/Executive Director to sign the JOC job order contract for the Fisherman’s Harbor Commercial Development Parcel A8 South Fork Bakery Tenant Improvements with Burton Construction, Inc., in an amount not to exceed \$500,000 before Washington State Sales Tax and applicable fees. 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  
PROJECTS**

**South Marina Gatehouse Project – Supplemental Job Order**

Chief of Engineering & Planning John Klekotka reported Burton Construction Inc. (BCI) is working on this project under a Job Order Contract (JOC). Because the JOC process includes collaboration between the owner, general contractor, and subcontractor/vendors, Port Staff felt that this was a suitable way to proceed for this project.

To get the initial project rolling ahead, Staff negotiated an initial scope of work knowing electrical work for lights and the door openers was to be determined at a later date once an electrical contractor was on board. BCI has engaged Valley Electric for this work including extending electrical circuits, energizing ADA openers, and adding lights.

The cost for the added electrical work, with taxes and fees, is estimated to be approximately \$150,000.

Upon discussion, Commissioner Glen Bachman moved that the Commission authorize the CEO/Executive Director to execute a supplemental job order with Burton Construction, Inc. for the South Marina Gatehouse Project in the total not-to-exceed amount of \$150,000, including Washington State Sales Tax and Gordian JOC fees. Commissioner Tom Stiger seconded the motion. A vote was called for:

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

**MARINA  
2023 Marina Rates**

Chief of Marina Operations Jeff Lindhout reported in 2008 the Port Commission adoption Resolution No. 891 authorizing the Port CEO/Executive Director, or their designee, to set operating policies and rates associated with the operation of the Marina. In implementing these responsibilities, the Commission directed staff to adopt rates and procedures that serve the best interests of the Port, assuring the Marina’s

success in its competitive regional marketplace, being mindful of business costs and the needs of customers.

In addition, the Commission required a 60-day notice to marina customers for all changes in rates, fees, or policies. Accordingly, each year the Marina Administration reviews rates and fees and provides a briefing to the Commission prior to the effective date. Over the last three years, the Port has made a shift to setting the rates based on market adjustments rather than a blanket percentage increase.

Staff have reviewed the regional competitive market and the Port will continue to evaluate and plan to adjust rates to stay in alignment with market. The Port has planned rate increases and, even with these increases, the Port of Everett 2023 rates will generally remain below the 2022 rates of Edmonds and Anacortes. Work yard and service operations rates will similarly be adjusted to remain competitive in the regional market.

Marina Administration will post rate adjustments for 60 days beginning no later than November 1, 2022 and new rates will become effective January 1, 2023.

**Executive Session**

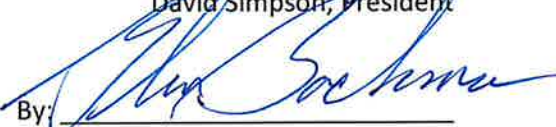
No Executive Session was held.

**THE REGULAR MEETING WAS ADJOURNED at 1:10 p.m.**

**APPROVED** this 8<sup>th</sup> day of November, 2022.

**EVERETT PORT COMMISSION**

By:   
David Simpson, President

By:   
Glen Bachman, Vice President

By:   
Tom Stiger, Secretary



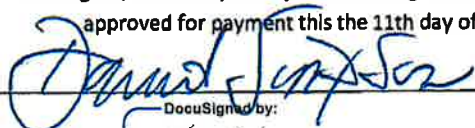
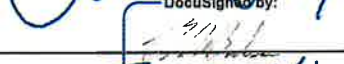
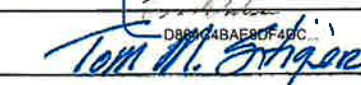
**Port of Everett**  
**Voucher Certification and Approval**  
**for the month of**  
**SEPTEMBER**  
**2022**

<b>AP Claims Transactions</b>		<b>Total</b>
Claim Checks Issued	91779 - 91877	\$1,544,974.83
P-Card Transactions		114,335.10
ACH Transactions	#2366 - 2440	7,871,059.64
<b>Total Claims Check Register</b>		<b>9,530,369.57</b>
<b>Electronic Claims Transactions:</b>		
9/2, 9/8, 9/9, 9/14, 9/21, 9/22, 9/29	Electronic Transfer - Health Equity/Navia/Guardian/Accrue CMS	\$17,116.18
9/14, 9/29	Electronic Transfer - IRS	251,242.38
9/1, 9/2, 6/9, 9/7	Electronic Transfer - U.S. Bank	13,114.02
9/1	Electronic Transfer - U.S. Bank LOC Fees	4,480.91
9/30	Electronic Transfer - Chicago Title	1,396,768.31
9/30	Electronic Transfer - Paylocity	2,398.86
<b>Total Electronic Claims</b>		<b>1,685,120.66</b>
<b>Total Claims</b>		<b>11,215,490.23</b>
<b>Payroll Transactions</b>		
Payroll Checks Issued	Dir Deposit/Check	\$659,185.92
9/7, 9/13, 9/20, 9/27	PMA Payroll (Longshore Labor)	518,841.38
<b>Total Payroll</b>		<b>1,178,027.30</b>
<b>Total Payments</b>		<b>12,393,517.53</b>

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 11th day of October, 2022: See Attached

 President  
DocuSigned by:  
 Vice President  
DB88C4BAE80F40C  
 Secretary