

MINUTES OF EVERETT PORT COMMISSION
REGULAR MEETING
January 8, 2019

PRESENT: Glen Bachman President
 Bruce Fingarson Vice President
 Tom Stiger Secretary
 Les Reardanz Executive Director
 John Carter Chief Finance Officer
 Brad Cattle Port Attorney

CALL TO ORDER: The meeting was called to order at 4:03 p.m. by Commissioner Glen Bachman.

1. ELECTION OF COMMISSION OFFICERS

Commissioner Fingarson said he felt the Commission should keep the same current rotation with Glen Bachman as President, Bruce Fingarson as Vice President and Tom Stiger as Secretary which would be the normal rotation if Troy McClelland hadn't resigned.

Upon discussion, Commissioner Tom Stiger moved that the Commission follow the normal rotation for the election of the President, Vice President and Secretary for the Port of Everett Commission for year 2019. Port attorney Brad Cattle clarified for the record that Commissioner Bachman would be President, Commissioner Fingarson would be Vice President and Commissioner Stiger would be Secretary. Commissioner Fingarson seconded the motion. A vote was called for:

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

Motion carried.

2. CEO/EXECUTIVE DIRECTOR'S REPORT

Audit Exit Report

Kristina Baylor, Program Manager with the Washington State Auditor's Office, reported the results of the 2017 Accountability Audit for the Port of Everett. The following areas were examined during the audit period of January 1, 2017 through December 31, 2017.

- Cash-receipting – timeliness and completeness of deposits, voids and adjustments
- Procurement – piggybacking
- Contract compliance – North Marina purchase and sale agreement

Ms. Baylor reported that in the areas selected, Port operations complied with applicable state laws, regulations, and its own policies, and provided adequate controls over the safeguarding of public resources.

State Auditor's Stewardship Award

Washington State Auditor Pat McCarthy presented the Port with the State Auditor's Stewardship Award in recognition of its outstanding accomplishment in accountability, transparency and good stewardship of public resources. The Port of Everett has not received an audit finding in over 21 years.

Second Regular Commission Meeting – January 15, 2019

Executive Director Les Reardanz reminded the Commission that the second regular Commission meeting will be held Tuesday, January 15, 2019 at 4 pm in the Blue Heron Room of the Waterfront Center Facility.

Commissioner Committee Participation for 2019

Executive Director Les Reardanz asked the Commissioners to consider their committee participation for 2019. After discussion, Commissioner Bachman announced the following selections for Commissioner committee participation:

Commissioner Bachman

Puget Sound Regional Council – Executive Board
Freight Mobility Roundtable – backup to Bruce Fingarson
Greater Seattle Partners – Board Member
AAPA Delegate
Master Builders of King & Snohomish County -Board Member
Regional Apprenticeship Program – Board Member
Marina Advisory Group - Rotating

Commissioner Fingarson

Puget Sound Regional Council – Regional Freight Mobility Roundtable
Washington Council on International Trade – Advisory Board Member
WPPA Delegate
Marine Terminal Working Group – backup to Tom Stiger
Master Builders of King & Snohomish Counties – backup to Glen Bachman
Next Market Aircraft – Board Member
Marina Advisory Group - Rotating

Commissioner Stiger

Puget Sound Partnership LIO for Snohomish/Stillaguamish
Riverside Business Park Association
PNWA
WPPA Marina Committee
Marine Terminal Working Group
Marina Advisory Group - Rotating

Commissioner Bruce Fingarson moved that the Commission approve the Commissioner Organization Participation assignments for 2019 substantially as presented. Commissioner Tom Stiger seconded the motion. A vote was called for:

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

Motion carried.

3. CHIEF FINANCE OFFICER'S REPORT

Capital Contingency Management Reserve

Chief Finance Officer John Carter said that subsequent to the 2019 budget approval, Staff reviewed the overall Capital plan and determined that given the nature of some of the funded projects for 2019, it would be helpful to have a "Contingency Reserve" established that can be utilized should a project scope change or "unknowns" discovered that result in added costs as projects are commenced.

John Carter proposed that a Contingency Reserve in the amount of \$4 million be established which could be allocated as needed to projects during the year. The allocation from this account would be subject to purchasing authority limits as authorized within the Commissioner's delegation of powers resolution. Staff will periodically report on the use of the contingency.

John Carter asked the Commission to approve a motion authorizing the establishment of a \$4,000,000 capital contingency reserve account.

After discussion, Commissioner Tom Stiger moved that the Commission authorize the establishment of a \$4,000,000 Capital Contingency Reserve Account. Commissioner Bruce Fingarson seconded the motion. A vote was called for:

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

Motion carried.

4. TRANSACTION OF BUSINESS OF THE PORT OF EVERETT

Resolution No. 1116 (2019)

Executive Director Les Reardanz presented Resolution No. 1116 (2019) that establishes procedural rules for the transaction of Port Commission business.

Upon discussion, Commissioner Bruce Fingarson moved that the Commission adopt Resolution No. 1116 (2019) establishing procedural rules for the transaction of Port Commission business and superseding Resolution No. 1091 (2018) in its entirety. Commissioner Tom Stiger seconded the motion. A vote was called for:

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

Motion carried.

5. COMMISSION MEETINGS SCHEDULE

Resolution No. 1117 (2019)

Les Reardanz presented Resolution No. 1117 (2019) that reconfirms the schedule and location of Port of Everett Commission meetings pursuant to RCW 42.30.

Commissioner Bruce Fingarson moved that the Commission adopt Resolution No. 1117 (2019) confirming the schedule and location of Port Commission meetings for 2019. Commissioner Tom Stiger seconded the motion. A vote was called for:

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

Motion carried.

6. APPOINTMENT OF LEGAL COUNSEL

Les Reardanz said that Port Staff recommends that the Port Commission appoint the Anderson Hunter Law Firm as legal counsel for 2019.

Commissioner Tom Stiger moved that the Commission appoint the Anderson Hunter Law Firm as legal counsel for 2019. Commissioner Bruce Fingarson seconded the motion. A vote was called for:

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

Motion carried.

7. APPOINTMENT OF PORT AUDITOR/PORT TREASURER
Commissioner Bruce Fingarson moved that the Commission appoint John R. Carter as the Auditor and Treasurer for the Port of Everett for the year 2019. Commissioner Tom Stiger seconded the motion. A vote was called for:

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

Motion carried.

8. TRAVEL AUTHORIZATION FOR 2019

Resolution No. 1118 (2019)

Les Reardanz presented Resolution No. 1118 (2019) which authorizes the Commission and Port Staff to travel as necessary within the United States and Canada during the year 2019, and which calls for the Executive Director to provide specific approval to Port Staff for travel outside the United States and Canada with a quarterly report to the Commission of the approved international travel. The resolution also calls for travel by the Commissioners or the Executive Director outside the United States and Canada to be authorized by the Commission in advance of the travel.

Commissioner Tom Stiger moved that the Commission adopt Resolution No. 1118 (2019) establishing the travel authorization for 2019. Commissioner Bruce Fingarson seconded the motion. A vote was called for:

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

Motion carried.

9. ANNUAL RENEWAL OF DELEGATION OF AUTHORITY

Resolution No. 1119 (2019)

Les Reardanz presented Resolution No. 1119 (2019) which establishes the administrative authority of the Executive Director and his designees for 2019; and supersedes Resolution No. 1094 (2018) in its entirety. There are no substantive changes from the previously adopted resolution – only administrative editing.

Commissioner Bruce Fingarson moved that the Port Commission adopt Resolution No. 1119 (2019) establishing the Master Policy Directive for the administrative authority of the Executive Director and his designees for the year 2019; and superseding Resolution No. 1094 (2018) in its entirety. Commissioner Tom Stiger seconded the motion. A vote was called for:

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

Motion carried.

10. ANNUAL RENEWAL OF AUTHORITY TO SELL SURPLUS PROPERTY

Resolution No. 1120 (2019)

Les Reardanz presented Resolution No. 1120 (2019) which allows the Port Commission to authorize the managing official to sell and convey Port District property of \$10,000 or less in value. The \$10,000 figure may be adjusted annually by the Governmental Price Index established by the Department of Revenue. For 2019, the figure remained at \$15,000. The authority is to be in force for not more

than one calendar year from the date of the resolution and may be renewed from year-to-year. Prior to the sale or conveyance, the managing official shall itemize the list of the property to be sold and make written certification to the Commission that the listed property is no longer needed for Port District purposes.

For surplus property valued more than \$15,000, the Commission must approve the sale of the property by separate resolution.

Commissioner Tom Stiger moved that the Commission adopt Resolution No. 1120 (2019) authorizing the Executive Director to sell and convey surplus property pursuant to RCW 53.08.090. Commissioner Bruce Fingarson seconded the motion. A vote was called for:

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

11. CHIEF OF LEGAL AFFAIRS

Executive Director's Salary (Motion to Modify)

Chief of Legal Affairs Paul Brachvogel reported that the Port's Executive Director was hired in 2014 and historically has received salary increases in the same percentages as the Union members under collective bargaining agreements. Upon review, it has been determined that the CEO salary is presently behind the market of Port Executive Directors by about 12%, based on the best available survey information. As such, Staff recommends an increase of the CEO's salary of 2.75% effective immediately.

After discussion, Commissioner Bruce Fingarson moved that the Commission direct Staff to increase the Executive Director's salary by 2.75%. Commissioner Tom Stiger seconded the motion. A vote was called for:

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

Motion carried.

12. INITIATIVE ONE: SEAPORT MODERNIZATION

Chief of Policy & Communications Lisa Lefebber provided a brief progress report on the Seaport Modernization project. For the crane acquisition project, currently there is a leadership transition in California which is holding up the signing of the acquisition for the cranes which has caused additional work on behalf of the Port. In the process, the Port is preparing to reserve the barge with Foss for a summertime transport of the cargo handling cranes. Staff will keep the Commission posted as the agreements become solidified.

Port Staff have also been preparing for legislative meetings in Olympia which are scheduled for January 16 – 18, 2019. On January 16 and 17, Staff will be with legislators, and on the 19th, Staff will be with the Department of Ecology. The legislative focus will be on the Model Toxics request for the Mill A project, as well as the capital budget request for the Next Market Aircraft.

There is a shoreline hearing for the Mill-A Interim Action 2 scheduled for February; and Staff expects, depending on the execution of the crane acquisition and barge transport, to issue the crane painting RFP this month.

For finance, the Governor's budget was released, and the Port did receive \$16.25 million in the Governor's budget for the Mill A project. The Port was also successful in getting a \$6.2 million Rail Bank Loan to help offset and bridge funding with the current Seaport Modernization project that is underway. Staff is also continuing to seek legislative sponsors for the \$3 million capital budget request which is the infrastructure piece for the dredging project to allow the Port to go from a 700-foot ship to a 950-foot vessel.

There are some shutdown impacts with the federal government particularly related to the Seaport Modernization project. The Port may get a \$4.6 million reimbursement from the RRIF program through the Department of Transportation on January 16, 2019. There may be issues on reimbursements pertaining to the TIGER and FAST LANE grants, depending upon when the reimbursements come in and how much money the Department of Transportation must carry them through until the shutdown.

Construction is progressing. The Port has been given a schedule that shows that the contractor can meet the in-water work window. Port Staff continues to monitor the project very closely. The Port has run into some unknown circumstances with regard to the pile caps, and so Staff does expect some change orders.

Port Staff is in the process of getting sediment sampling for the Mill-A Interim Action, and early testing shows that the berth is more contaminated than thought. This likely will have budget impacts; however, this may help the Port to be more eligible for MTCA money to offset the budget impacts.

Because the sediment sampling is coming in more contaminated than originally thought, it has a potential of delaying the Port's ability to do the dredging project in the 2019 work window. Port Staff is continuing to put the "pedal to the metal" to try to get the project done this year, but it may be outside of the Port's control. Staff will keep the Commission apprised.

Commission President's Report

Commissioner Glen Bachman said in a recent Forbes publication, the Port got a mention about growth in export value.

Commission Discussion

Commissioner Tom Stiger commented that Jon Campbell in Security has retired, Verl Hamilton from Marina Maintenance has left the Port and Catherine Soper in Administration has returned from maternity leave.

Commissioner Fingarson wished everybody a happy New Year and said he was looking forward to a great year at the Port. Congratulations to the entire Staff for the Auditor's Stewardship Award.

Citizen Comments

There were no Citizen comments.


The meeting was recessed into Executive Session at 5:22pm – for approximately 20 minutes – to conclude by 5:45pm.


The purpose of the Executive Session was to discuss with legal counsel negotiations for the acquisition of real estate by lease or purchase when public knowledge regarding such consideration would cause a likelihood of increased price.

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

THE REGULAR MEETING WAS ADJOURNED at 5:45pm.

APPROVED this 14th day of February, 2019.

By: 
Glen Bachman, President


Bruce Fingarson, Vice President


Tom Stiger, Secretary