

**Minutes of Everett Port Commission
Regular Meeting
January 7, 2020**

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

CALL TO ORDER: Commission President Glen Bachman called the meeting to order at 4:00 p.m.

1. ELECTION OF COMMISSION OFFICERS

Commissioner Tom Stiger moved that the Election of Commission Officers was to be as follows; Glen Bachman as President, Tom Stiger as Vice President and David Simpson as Secretary for the Port of Everett Commission for year 2020. Commissioner Simpson seconded the motion. A vote was called for:

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

Motion carried.

2. APPOINTMENT OF LEGAL COUNSEL

Commissioner Tom Stiger moved that the Commission appoint the Anderson Hunter Law Firm as legal counsel for 2020. Commissioner David Simpson seconded the motion. A vote was called for:

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

Motion carried.

3. APPOINTMENT OF PORT AUDITOR/PORT TREASURER

Commissioner David Simpson moved that the Commission appoint Eric Russell as the Auditor and Treasurer for the Port of Everett for the year 2020. Commissioner Tom Stiger seconded the motion. A vote was called for:

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

Motion carried.

4. CEO/EXECUTIVE DIRECTOR'S REPORT

Commissioner Committee Assignments for 2020

Executive Director Lisa Lefebber asked the Commissioners to consider their committee participation for 2020. Lisa Lefebber made a note that the committees assigned are formal and regular and not a reflection of community engagement. It is to ensure the Port of Everett has coverage on all respective committees that affect port business. Staff recommended Council of Neighborhoods and EASC – Snohomish County for Improved Transportation to be added to the 2020 committee list. Lisa Lefebber made another note that under the suggested Commissioner for organization WPPA as the Trustee, Commissioner Stiger requested to fill that role. No motion was required, all Commissioners concurred with the staff recommendation.

Commissioner Bachman

Puget Sound Regional Council – Executive Board
Greater Seattle Partners/Cascade Industrial Center
Washington Council on International Trade – for Fly-ins
American Association of Port Authorities Delegate
Master Builders of King & Snohomish County
Regional Apprenticeship Program

Commissioner Stiger

WPPA Executive Committee
Riverside Business Park Association
Pacific Northwest Waterways Association
Washington Public Ports Association Marina Committee Co-Chair
Marina Advisory Group
Marine Terminal Working Group

Commissioner Simpson

Washington Council on International Trade
Puget Sound Partnership LIO for Snohomish/Stillaguamish
Master Builders of King & Snohomish Counties – backup to Glen Bachman
Council of Neighborhoods
Economic Alliance Snohomish County – Snohomish County for Improved Transportation

CEO/Executive Director Lisa Lefebber reminded the Commission that there a few housekeeping resolutions each year that are required by state law to update.

Resolution No. 1141 (2020) – Adopting Travel Authorization for the Year 2020

Lisa Lefebber presented Resolution No. 1141 (2020) which establishes the annual travel authorization for the Port Commission, Executive Director and appropriate Port Staff during the year 2020.

Commissioner Tom Stiger moved that the Commission adopt Resolution No. 1141 (2020) establishing the travel authorization for the year 2020 and superseding Resolution No. 1118 (2019) dealing with the same subject matter. Commissioner David Simpson seconded the motion. A vote was called for:

Vote: 3-0

Yes: Stiger, Simpson, Bachman

No: None
Abstained: None

Motion carried.

Resolution No. 1142 (2020) – Delegation of Authority

Lisa Lefebber presented Resolution No. 1142 (2020) which establishes the administrative authority of the Executive Director and his/her designees for 2020; and supersedes Resolution No. 1119 (2019) in its entirety.

Commissioner Tom Stiger moved that the Commission adopt Resolution No. 1142 (2020) establishing the Master Policy Directive for the administrative authority of the Executive Director and his/her designees for the year 2020 and superseding Resolution No. 1119 (2019) in its entirety. Commissioner David Simpson seconded the motion. A vote was called for:

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

Motion carried.

Resolution No. 1143 (2020) – Delegated Authority in Executive Director Absence

Lisa Lefebber presented Resolution No. 1143 (2020) which delegates authority in the absence of the Executive Director and updates, cancels and supersedes Resolution No. 1089 (2018) in its entirety.

Commissioner David Simpson moved that the Commission adopt Resolution No. 1143 (2020) delegating authority in the absence of the Executive Director and updates, cancels and supersedes Resolution No. 1089 (2018) in its entirety. Commissioner Tom Stiger seconded the motion. A vote was called for:

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

Motion carried.

Resolution No. 1144 (2020) – Marina Rates

Lisa Lefebber presented Resolution No. 1144 (2020) which amends and clarifies Resolution No. 891 that the Executive Director or his/her designee is authorized to set all rates and operating policies associated with operation of Everett Marina once per *calendar* year.

Commissioner Tom Stiger moved that the Commission adopt Resolution No. 1144 (2020) authorizing the Executive Director or his/her designee to set all rates and operating policies associated with operation of Everett Marina once per *calendar* year. Commissioner David Simpson seconded the motion. A vote was called for:

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

No: None
Abstained: None

Motion carried.

Resolution No. 1145 (2020) – Procedural Rules of the Transaction of Port Commission Business

Lisa Lefeber presented Resolution No. 1145 (2020) which establishes procedural rules for the transaction of Port Commission business and supersedes Resolution No. 1116 (2019) that was adopted in 2019.

Commissioner Tom Stiger moved that the Commission adopt Resolution No. 1145 (2020) establishing procedural rules for the transaction of Port Commission business and superseding Resolution No. 1116 (2019) in its entirety. Commissioner David Simpson seconded the motion. A vote was called for:

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

Motion carried.

Resolution No. 1146 (2020) – Schedule and Location of Commission Meetings

Lisa Lefeber presented Resolution No. 1146 (2020) which reconfirms the schedule and location of Port of Everett Commission meetings pursuant to RCW 42.30. The Port Commission may adjust the schedule, from time to time, to include holding regular meetings during other hours, and it may hold Special Meetings pursuant to RCW 42.30.080.

Commissioner David Simpson moved that the Commission adopt Resolution No. 1146 (2020) confirming the schedule and location of Port Commission meetings for 2020. Commissioner Tom Stiger seconded the motion. A vote was called for:

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

Motion carried.

Resolution No. 1147 (2020) – Sell and Convey Surplus Property

Lisa Lefeber presented Resolution No. 1147 (2020) which RCW 53.08.090, Sale of Property, allows the Port Commission to authorize the managing official of a port district to sell and convey port district property of \$10,000 or less in value. The \$10,000 amount may be adjusted annually by the governmental price index established by the Department of Revenue. For 2020, the amount is \$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 the property to be sold and make written certification to the Commission that the listed property is no longer needed for Port District purposes. Resolution No. 1147 (2020) updates, cancels and supersedes Resolution No. 1120 (2019).

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

Commissioner David Simpson moved that the Commission adopt Resolution No. 1147 (2020) authorizing the managing official of the Port to sell and convey surplus property pursuant to RCW 53.08.090 and updates, cancels and supersedes Resolution No. 1120 (2019). Commissioner Tom Stiger seconded the motion. A vote was called for:

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

Motion carried.

Marysville/Arlington Memorandum of Understanding

Lisa Lefeber reminded the Commission and public that there will be a Special Joint Meeting with City of Arlington and City of Marysville, tomorrow, January 8, 2020, at Elemental Cider Co to sign Memorandum of Agreements with each city. The Port has been working very hard over the last several years with both cities to partner on economic development and help bring jobs and economic growth to north county.

Bond Rating

Lisa Lefeber reported the Port received good news today. The new bond issuance upheld the new ratings for the new bond revenues. However, because of the 2018 downturn with Boeing and current situation, the Port's revenue bonds have been downgraded from an A2 to an A1. Right now, it doesn't affect the Port financially but if additional revenue bonds are needed, it will have an impact. Aerospace has been an important factor in the Port's operation which is reflected in the downgraded bond rating.

5. DEPARTMENT REPORTS

Marina

Chief of Marina Operations Jeff Lindhout presented an update on marina rates. In 2008, the Port Commission adopted Resolution No. 891. Resolution No. 1144 amends and clarifies Resolution No. 891, authorizing the Port Executive Director, or their designee, to set operating policies and rates associated with the operation of the marina once per calendar year. In implementing these responsibilities, the Commission directed staff to adopt rates and procedures to serve the best interest 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 sixty-day notice to marina customers for all changes in rates, fees or policies. Accordingly, each year the Marina Administration reviews rates and fees, providing a briefing to the Commission prior to effect date.

Marina Administration reviews rates on an annual basis to compare the Port's rates with competitors within the regional market. In addition, Marina Administration reviews the current and expected expenses for the upcoming year prior to making rate adjustments. In previous years, annual rate adjustments became effective on May 1st. Staff is proposing a phased approach over two (2) years to eventually implement rate changes January 1st of each year. For 2020 any expected rate adjustments will become effective March 1, 2020. The effective date is

being changed in order to avoid our busy season and best utilize staff capacity. The change is also consistent with other marinas rate adjustment time lines. In 2021, the intent is to make any rate adjustments effective January 1, 2021.

Moorage occupancy at the Marina has experienced strong improvement since 2012 lows. Currently, annual average occupancy remains at approximately 85%, topping out around 98% in the summer. The majority of unoccupied moorages remain in the 28 feet and under size range with waiting lists on most larger moorages. In 2019, new Central K-dock was opened providing 19 additional 70 feet moorages and over 500 feet of lineal side-tie moorage. The marina expects to continue consolidating the smaller moorages and increasing larger moorages to respond to market demand with a goal to achieve 100% moorage occupancy.

Over the past two years, the Marina has been able to manage expenses and stay within budget. However, increasing maintenance, labor and operational costs necessitate the need for modest yearly increases in rates.

The Marina rates for moorage, storage and yard services continue to remain below marinas to the south and comparable with those to the north. The trend within the industry over the last few years has been toward rate increases of 2%-4% annually. The Port of Seattle raised marina rates 7% last year. Last year, the Port raised rates approximately 3.5% across all moorages. This year the Port will be adjusting rates in accordance with market demand for moorages as opposed to a fixed percentage across all moorage sizes. This will result in rates increasing, decreasing or remaining unchanged depending upon moorage specifics. The rationale is to try and maintain revenues without impacting the rates of those moorages with more availability. All moorage rates will remain below the Port's closest competitor, the Port of Edmonds Marina, and most smaller moorages under 28 feet, as well as yard services, will remain substantially unchanged for 2020.

Jeff Lindhout believed the rate adjustments are in line with the Port's regional market and that the adjustments will allow the marina to maintain or improve occupancy while meeting budget expectations. Marina Administration has already posted the rate adjustments for 60 days which began on January 1, 2020.

Commission President's Report

Commissioner Glen Bachman said he was expecting a citizen to show up for the meeting that was concerned that there are not enough dock carts. Jeff Lindhout said that is a very common complaint and the marina does purchase new dock carts every year. One of the issues is that the dock carts get spread throughout the three marinas so once the seasonal staff start, the marina will be better at getting them back to the gatehouses. Lisa Lefebber mentioned that Jim Weber has been looking into technology that will find dock carts.

Commissioner Bachman attended a maritime meeting in Seattle a week ago at the Foss headquarters. Representative Jake Fey was very concerned at the number of items that will be cut because of the budget and passage of I-976. Another issue during this meeting was the breaching of the Snake River dams. Last Friday, Commissioner Bachman and Commissioner Simpson attended the legislative kickoff and policies for Washington State at Everett Community College and the Snake River dams issue was brought up again, and what to do without the power generation.

Lisa Lefebber added that WPPA as well as the Pacific Northwest Waterways Association have both weighed in in opposition to breaching the Snake River dams. The economic impact to breaching the dams on the river ports is estimated at \$2.3 billion. There's a moving cargo and commodities by truck versus barge, about 98.5% reduction in air admissions.

Commissioner Bachman added that at the legislative kickoff and policies meeting for Washington there were a few comments that were brought up; younger voters are needed, transportation infrastructure top priority, tax issues, fish cohorts and nuclear issues.

Commissioner Bachman mentioned he went to a ribbon cutting in for the Regional Apprenticeship Program.

Commissioner Bachman asked for an update regarding the sewer line on 13th Street. Lisa Lefebber reported that contractor Strider believe they will be able to chip out the grout. There will be a test section to see if it works within the next week. It will be fixed within 2-3 weeks if the chipping works but if it doesn't work, the street will have to be ripped out and the pipe will be replaced which will take up to 6-8 weeks.

Commission Discussion

Commissioner Tom Stiger was glad to see the adoption of the supply and demand model for rates rather than flat percentage with the goal of attempting to equalize the rates based on supply and demand. An example he gave was the smaller moorage 20 feet to 28 feet had a reduction in the monthly rate.

Citizen Comments

There were no citizen comments.

No Executive Session was held.


THE REGULAR MEETING WAS ADJOURNED at 4:50 p.m.

APPROVED this 11th day of February, 2020.

EVERETT PORT COMMISSION

By: 
Glen Bachman, President

By: 
Tom Stiger, Vice President

By: 
David Simpson, Secretary