

**Minutes of Everett Port Commission
Regular Meeting
February 4, 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.

CEO/EXECUTIVE DIRECTOR'S REPORT

CEO Lisa Lefebber reported that she had the opportunity to travel to Washington D.C. with City of Everett Mayor Cassie Franklin to attend several meetings related to the Navy Base and Coast Guard assets in the community. She is encouraged with the future of Everett, not only for additional Navy assets but also Coast Guard assets.

Last week, Commissioner Bachman, Commissioner Simpson, Lisa Lefebber, and a few staff members traveled to Olympia to advocate for legislative session. The meetings overall were very good. It was also Washington State Public Ports Association Day, Maritime Day, Aerospace Day, etc. so they had the opportunity to participate. A major request this year was for short sea shipping infrastructure investment to support maritime trades between the Port of Everett and Northwest Seaport Alliance. The Port did receive sponsors for those bills and is looking forward to moving that project forward if successful with state funding.

Lisa Lefebber suggested March 24 and 25 for the Commission Retreat for 2020.

CHIEF FINANCE OFFICER'S REPORT

LTGO 2020 Final Report

Chief Finance Officer Eric Russell gave an update on the final bond sale results. The Port received funds last week on Wednesday, January 29, of \$26,134,304 and turned around the next day and repaid the US Bank Letter of Credit Thursday, January 30, \$25,770,000.

Resolution No. 1148 (2020) – Port Issuance Debt Compliance Policy

Chief Finance Officer Eric Russell reported the Port has an existing policy that was adopted in 2013. With changes in tax and security laws, Bond Council recommended adopting the revised Post Issuance Debt Compliance Policy. The policy covers four items: 1) Requires the CFO to retain a copy of loan documents provided by Bond Council; 2) Outlines duties under Federal Tax Law that must be monitored to maintain tax exempt status of bonds; 3) Outlines ongoing disclosure obligations of the Port required by Securities and Exchange Commission (SEC) rules; 4) Requires the CFO to maintain a list of other disclosure requirements related to specific borrowings. The changes primarily relate to new SEC regulations regarding ongoing disclosure requirements.

After discussion, Commissioner David Simpson moved to approve Resolution 1148 (2020) adopting the Port of Everett Post Issuance Debt Compliance Policy as presented. Commissioner Tom Stiger seconded the motion. A vote was called for:

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

Motion carried.

SEAPORT MODERNIZATION

Public Input on FAA Crane Requirements

CEO Lisa Lefebber gave a quick update on what the Port has been working on over the last couple of weeks. The Port obtained substantial completion on the South Terminal Wharf project on December 26, 2019, which is a key facility for the new Boeing 777X. Boeing had its first successful test flight in late January. The next phase will be to get the container cranes into operation and service to be able to support the advanced manufacturing of the 777X as it goes into production which will be toward the end of 2020. The Port needs to meet FAA requirements because of the size of the cranes. There are two requirements to satisfy the FAA requirement. First option, keep the cranes painted the same as they are now. Second option, if painted a neutral color, such as blue, they will require pulsating white and red lights to be installed and run 365/24/7, white lights during the day and red lights at night. The Port is currently performing a lighting demonstration to show the impact that the lights could potentially have on the neighbors. The demonstration started on January 29 and will end on February 5, 2020. There was an opportunity tonight for the public to come and comment on the light demonstration. Notification went out to the City of Everett, Naval Station Everett, on the Port of Everett website; news items, surveys, social posts, Key Communicator, Port Gardner Neighborhood, SEPA and staff mailing list and all local publications. The Port went to the title company and received all the addresses within 500-1,000 feet of the terminal and sent a letter via mail. Next steps were to open the meeting for public input and the Port will tabulate the comments received thru the end of the day, February 5, 2020. Staff will make a recommendation for the Commission's consideration next week.

Commissioner Bachman opened the meeting for comments and explained there would be a 3-minute limit for each speaker.

Kimberly Conn: 3036 Tulalip Avenue; she lives directly in front of the cranes and stated that the lights shine directly into her house and are extremely bright. She is also concerned that the lights will get even brighter once they come out further and reflect off the water.

Paul Clark: 500 Laurel Drive, Everett, WA; he asked if this was a new issue for the Commission that the FAA would have to get involved or has this been known. CEO Lisa Lefebber stated the Port found out about this issue in May 2019. He went onto say the lights are a problem, they reflect into his house, keeping his wife and him awake. He is curious about the outcome if the Port has a choice or does the FAA tell the Port what the answer is. CEO Lisa Lefebber said the Port does have a choice and are waiting until the demonstration is over and public comments are gathered then the Port will make a staff recommendation. She mentioned that the FAA told her that the lights are not recommended in close proximity to neighborhoods.

Mike Holota: Whitter Road, South Whidbey Island; he gathered quite a few comments in a petition from his neighbors on Whidbey Island, which he gave to the Port of Everett. He is in full view of the Port of Everett. He thanked the Port for the opportunity to weigh in on this situation and is very appreciative of

Catherine Soper for being very transparent on the phone when providing him information about the crane demonstration. He had a two-page petition that states no one wants the lights on the cranes.

Howie Bargreen, 401 Westmore Dr. Everett, WA; he stated that if the Port painted the cranes blue, they would really fit in well. Unlike Whidbey Island, the cranes are right in front of his house and the Port of Everett and Howie have made an agreement, a legal agreement with the Port starting in 2003 which they've signed that says that they have to paint these cranes blue and that's why they are all painted blue now. He suggested to see if the FAA would give the Port a variance because the cranes are only 3.5% taller than the regulations. The Port has agreed in a legal contract, which he said was just as legal as the Constitution of the United States. He went on to say his answer to the people on Whidbey Island is if they want to make a change, they should come and live in Everett and look at the cranes all the time and then they can vote, just like he does, in the Port district.

Laura Caswell: Whidbey Island; she thanked the Commission for letting her speak about this subject. She can see flashing reds light from her deck. When the lights change to white, they are incredibly intrusive. Also, once four more lights are added, it will get very intense. People that live on Whidbey are very lucky they get to live in a very rich view environment and she'd like to protect it.

Mike Holota asked if the Port can update the website with all the information that was mentioned at the meeting tonight regarding how many lights will be on the cranes, how tall the actual lights will be when on the cranes, etc. CEO Lisa Lefebber stated that the Port will update right away.

DEPARTMENT REPORTS

MARINA

Boat Show Recap

Chief of Marina Operations Jeff Lindhout gave a recap on the Seattle Boat Show. It was a very successful nine day show with a great attendance. They added a couple of new day themes to the show this year, History of Boats and Bathing Suits Day and Dog Day which brought in around 200 dogs. The Port set up a photobooth which was very successful, lots of people took their picture and shared on Facebook and Instagram. The Port also had a giveaway for a free haul out, one month of free moorage and a boat launch pass. There were a lot of questions and interest in moorage availability and a lot of people signed up for moorage, in addition to asking a lot of questions about the development and progress and how that was going. People gave great feedback about how the development was progressing. A few questions were asked about liveaboard opportunities within the Marina and all the events at the Port. Jeff Lindhout also spoke with several businesses and boat clubs that were interested in coming to Everett. The moorage occupancy for the Marina is still solid. There are still slips available in 28 feet and under, but almost all slips above 32 feet are full.

PROJECTS

Central Marina Improvements Phase 3 – Contract Closeout

Project Manager Brandon Whitaker reported on Central Marina Improvements Phase 3. After being given bid authorization by the Port Commission on May 15, 2018, the bid period ran from July 31 to September 5, 2018. A total of five contractors submitted bids. The lowest responsive and responsible bidder was American Construction (American) at \$6,497,668.13, including Washington State Sales Tax (WSST) and all additive bid schedules. The Port Commission awarded the contract to American on September 11, 2018. This project represented the third phase of the Central Marina Improvements effort. This third phase accomplished the following elements:

1. NE Central Marina Floats (CIP 2-0-023-01), the following items were completed under this CIP:

- a. Construction of new Guest Dock 5 "Dock Walk" which provides over 800 lineal feet of side-tie moorage, open and accessible to the general public. The Port received a federal Boating Infrastructure Grant (B.I.G.) for this guest dock in the amount of \$1.4 million.
 - b. Central P-Dock was repurposed and became new L-Dock South and placed parallel to Seiner Wharf and adjacent to Guest Dock 2.
 - c. Construction of a new 1,960 square foot activity float that is secured to the southern section of Guest Dock 5.
 - d. Construction of new K-dock which was an Additive Bid Schedule item the Port determined beneficial to award. The new 500-foot long concrete dock sports side tie moorage on the west and 70-foot finger lengths for yacht-level slip holders on the east side.
2. Marina Maintenance Dredging (CIP 2-0-032-02), a combination of environmental and maintenance dredging was conducted. Environmental dredging was performed in areas along the Fisherman's Harbor and Seiner Wharf bulkhead walls. Additionally, larger scale maintenance dredging took place throughout the northeast corner of the Central Marina. From this work, adequate fairway, and slip depths for the new docks were provided. During the work, American accidentally over dredged past allowable depths in the Central Marina. Through coordination with American and the environmental agencies, the Port was able to remedy this through additional sediment sampling and dredging analysis, with a deductive change order to American.

At the project's end, the contract reconciliation saw a reduction of \$259,007.06 in total project cost. The project change orders summed to a net credit of \$157,511.32. A single deductive change order for \$210,126.42 covered additional expenses related to the over dredging of the marina basin and related mitigation efforts. The project was subjected to two different sales tax rates, seeing an increase from 9.7% to 9.8%. All the elements brought the final total construction expenditure to \$6,019,465.46, including WSST. The project achieved physical completion on December 26, 2019.

Upon discussion, Commissioner David Simpson moved that the Commission authorize the close out of the public works contract for the Central Marina Improvements Phase 3 project, comprising all Bid Schedules to American Construction Company, in the final amount of \$6,019,465.46, including WSST. Commissioner Tom Stiger seconded the motion. A vote was called for:

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

Motion carried.

Commission President's Report

Commissioner Glen Bachman attended Economic Forecast meeting and learned that Snohomish County is doing well, but still is in need for more housing and education in skilled trades. He and Adam LeMieux also attended a Maritime Roundtable with Economic Alliance Snohomish County.

Commission Discussion

Commissioner David Simpson thanked the Port staff for the preparation for the trip to Olympia.

Citizen Comments

There were no citizen comments.

Regular Commission Meeting Minutes
February 4, 2020

The meeting was recessed into Executive Session at 4:50 p.m. for approximately 30 minutes – to 5:25 p.m. The purpose of the Executive Session was to discuss with legal counsel a potential litigation matter.

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 5:25 p.m.

APPROVED this 24th day of March, 2020.

EVERETT PORT COMMISSION

DocuSigned by:
By: *Glen Bachman*
Glen Bachman, President

By: *Tom Stiger*
Tom Stiger, Vice President

By: *David Simpson*
David Simpson, Secretary