

**Minutes of Everett Port Commission  
Regular Meeting  
April 14, 2020**

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

**CALL TO ORDER:** The meeting was called to order by Commission Vice President Tom Stiger at 12:11 p.m. and stated for the record that Commissioner Glen Bachman, Commissioner David Simpson, and Port Attorney Brad Cattle were participating by Zoom.

**CONSENT AGENDA**

- Regular Meeting Minutes of March 10, 2020; and Special Meeting Minutes of March 24, 2020
- Approval of Bills for March 2020

Commissioner David Simpson moved to approve the items of the Consent Agenda. Commissioner Glen Bachman seconded the motion. A vote was called for:

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

Motion carried.

**CEO/EXECUTIVE DIRECTOR'S REPORT**

**COVID-19 Status**

Executive Director Lisa Lefebber gave an update on COVID-19 response. The Port is still operating on emergency operations. The Port is considered an essential business, so the international seaport is still in operations as well as modified operations at the marina. Staff that can work from home, must work from home and other staff have staggering and alternating schedules to ensure proper social distancing. Last week, the commission approved several actions that required the Port to have meetings via teleconference and videoconferencing as well as electronic approvals. A Rent Relief Policy was also approved last week to help commercial tenants get them through this time. The Port has already authorized five applications for Rent Relief. Right now, the Port is looking at how, as a team, to move forward after May 4, when the Governor's Stay at Home order is lifted. Regardless, the Port will move to a Level II operation on May 5, with social distancing in place, to maintain and operate essential facilities. There will be a barrier installed on the counters in the Marina Office to ensure social distancing. The Port has procured gallons of hand sanitizer from a local distillery. Facemasks and contactless thermometers have also been ordered. The Port will be extending flexible work hours and schedules at minimum through August. The Port continues to remain flexible and adaptive and update the Infectious Disease and Pandemic Plan. The Port is learning what works, what doesn't work, what's effective, what's not effective every single day. The financial impacts for the Port are an area focused very heavily on. Like

most Port activities during recessions, Ports usually don't feel the effects right away. Ports feel effects 6-12 months down the road, so the Port is preparing for that by advocating State and Legislative efforts to be able to backstop key initiatives to keep those moving forward. The Port is currently in a hiring freeze. The Governor just issued a proclamation protecting high risk populations. The Port is also forward thinking regarding what Fall/Winter 2020 looks like if this virus comes back. Lefeber thinks it is safe to say, until there is a vaccine or a path forward to mitigate this virus on a holistic level, that the economy will be operating in some sort of alternate state.

Lefeber also stated right before everything was shut down, Commissioners authorized a Request for Bids for the paving project, almost \$700,000. Given the current financial situation and in the best interest to reserve cash flow, the Port has significantly cut the project to only essential asphalt repairs. It is not a Small Works project, so Staff will not be going back to the Commission for authorization because it is well under the \$300,000 limit.

Commissioner Tom Stiger asked about Regular Commission Meeting and Retreat dates in May. Lefeber recommend May 5 for a Regular Commission Meeting and May 19 and May 20 for the Retreat and Special Commission Meeting.

Commissioner Stiger and Commissioner David Simpson thanked Lisa Lefeber for the COVID-19 status.

Lefeber mentioned that tomorrow, April 15, is Dale Gribble's last day at the Port. James Gerry has been hired to be the interim Property Manager and his first day was April 13. On behalf of the Port of Everett, she welcomed James to the Port team. He formerly worked at Ameron which the Port just received the leasehold back, so he was able to stay in the area and is familiar with the types of businesses and buildings the Port handles.

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

### **Alliant Insurance Presentation**

Alliant Insurance Services, Inc. Team Deborah Bovee, Brian White and Anne Shackelford gave the commission a property and casualty insurance program overview. Deborah Bovee reported the state of the market was extremely difficult prior to COVID-19. Now that everyone is living in novel times, it is extraordinarily difficult. One of the key goals with this difficult market is to best position the Port of Everett for the key renewal. Alliant has been actively involved in Port issues for 25 years. In 1995, eight ports came together to purchase insurance. Everett was a founding member and the group now includes Seattle, Tacoma, and the Northwest Seaport Alliance. Alliant works with every major Port on the West Coast. Today's insurance market place is the worst it has ever been since the 1980's. They also went over market conditions, with an anticipation of a large increase in premium for the next policy year and gave an outlook for 2020 Second Quarter and Communicable Disease Coverage.

### **SEAPORT MODERNIZATION**

Executive Director Lisa Lefeber reported that last week she signed the contract for the crane upgrades as well as the purchase order for the Bromma spreaders.

### **Mill A Cleanup Loan Update**

Director of Environmental Programs Erik Gerking updated the Commission on the Mill A Cleanup site. These cleanup projects have many aspects to them, one of them being finance. The Port has been working with Ecology on a MTCA Remedial Action loan for about a year and hope to bring to the Commission for consideration in May. Background on the project, the Mill A Cleanup site is located at

the South Terminal and Pacific Terminal areas both including the upland and berth areas. It is a fairly wide area that includes areas that are really critical to the Port, in terms of use of the terminals and critical project for Seaport Modernization being that there is pollution located inside of the berth area, particularly the South Terminal area which needs to be deepened to prepare for larger ships. The Port has been working under an agreed order with Department of Ecology for several years now with Weyerhaeuser and Department of Natural Resources. Weyerhaeuser is the key player in that they operated the former pulp mill that operated for several years and is the primary source of the pollution on the site. On this project, for several years, Weyerhaeuser and the Port operated under a cooperation and cautionary agreement where Weyerhaeuser was paying 60% of the overall project cost. In 2018, however, Weyerhaeuser unexpectedly pulled out of the agreement. What that did was effectively shifted project costs to the Port and to the Ecology grant. That action led the Port to trying to fill that gap so now the Port is working on a loan that appears to fill the gap. It has some strategic benefits to the project as well.

An overview of the loan, at the 30,000-foot level, project costs that are eligible are currently reimbursed at a rate of 50% from the Ecology Remedial Action grant. The Port is now planning to cover the other 50% through a loan. If the Port does end up going through with the loan, 100% of the project cost will be paid by Ecology, 50% being covered by a grant and 50% being covered by the loan. This will help the Port in three areas; cash flow, ensure the Port's ability to be continue the leadership on the project and ensure the Ports progress on this project. In terms of cash flow, this will cover the grant match and the loan will be designed to take the Port to shovel ready status which is targeted for 2024 timeframe. The repayment of the loan would start in 2026 and has a ten-year payback period. The rate of the loan is based on an index of municipal bond rates. The loan amount will be \$4.3 million, that is based on estimated project costs to get the Port to construction. Ecology is looking to the Port to be the leader. The Port is responsible for preparing all the technical documents, doing all the field work, etc. With this loan, the Port will be able to get a little bit more flexibility, increase speed and cement the partnership with Ecology. Ecology wanted to let the Commission know they understand the importance that Mill A has to the Port for the future seaport. This is their first MTCA Remedial Action loan which has taken a year to create and expected to get approval in May. Once approval is reached, the Port will bring back to the Commission for consideration and possible approval. Following that, if there is an approval, the Port would bring forward the next phase of contracts with GEO Engineers.

Commissioner Tom Stiger asked about the 50% loan with the dollar amount \$4.3 million. Did the Port pay down the line of credit from GO Bond, so the Port is not utilizing the line of credit? CFO Eric Russell stated the Port did pay the line of credit down, there is about \$2.5 million still outstanding which was the balance was before the property purchase. Commissioner Stiger asked if the Port needs to take out a loan for 50%, is that a requirement of Ecology or can the Port actually use the line of credit rather than take out a separate loan? Russell said it is not a requirement from the Department of Ecology however the terms that they offer are much more favorable to the Port then if the Port were to use a different financing method. The interest rate they are proposing is around 1% today which would be considerably less than other loan programs, they have fewer restrictions on the Ecology loan and it doesn't affect general obligation debt capacity or revenue bonding capacity.

#### **Commission President's Report**

Commissioner Glen Bachman read a great Waterfront Place restaurants ad in the Herald and was happy to see the Port helped with promoting local restaurants. He also shared the Everett Community College ad with all the Commissioners on his Facebook page and received a very nice response from Everett Community College President Willis.

Regular Commission Meeting Minutes  
April 14, 2020

**Commission Discussion**

Commissioner David Simpson reminded staff to stay safe and healthy. He recognized Dale Gribble on his retirement and thanked him for his hard work.

Commission Tom Stiger mentioned that the ad in the Herald regarding the local restaurants, some of the restaurants have limited hours and if they are listed on the ad, they are open and operating. There were also two additional ads, public service announcements that Catherine Soper and her team put together for Earth Day and Port Day.

**Citizen Comments**

There were no citizen comments.

No Executive Session was held.

**THE REGULAR MEETING WAS ADJOURNED at 1:30 p.m.**

**APPROVED** this 12<sup>th</sup> day of May, 2020.

**EVERETT PORT COMMISSION**

DocuSigned by:  
*Glen Bachman*  
By: \_\_\_\_\_  
D88C4BAE8DE4DC  
Glen Bachman, President

By: *Tom Stiger*  
\_\_\_\_\_  
Tom Stiger, Vice President

DocuSigned by:  
*David Simpson*  
By: \_\_\_\_\_  
C93E12312641A3  
David Simpson, Secretary

**ORIGINAL**



**Port of Everett**  
**Voucher Certification and Approval**  
**for the month of**  
**MARCH**  
**2020**

<b>AP Claims Transactions</b>		<b>Total</b>
Claim Checks Issued	88764 - 88904	\$956,007.21
P-Card Transactions		67,770.42
ACH Transactions	#314 - 351	1,111,123.00
<b>Total Claims Check Register</b>		<b>2,134,900.63</b>
<b>Electronic Claims Transactions:</b>		
3/2, 3/9, 3/12, 3/13, 3/16, 3/17, 3/23, 3/26, 3/27, 3/31	Electronic Transfer - Health Equity/Navia/Guardian/Accrue CMS	\$13,701.34
3/2, 3/17	Electronic Transfer - IRS	181,452.44
3/24	Electronic Transfer - WA St Dept of Rev	47,726.08
3/2	Electronic Transfer - U.S. Bank	3,559.20
3/2	Electronic Transfer - U.S. Bank LOC Fees	3,398.68
3/2	Electronic Transfer - Pitney Bowes	1,500.00
3/2	Electronic Transfer - RRIF	95,237.42
<b>Total Electronic Claims</b>		<b>346,575.16</b>
<b>Total Claims</b>		<b>2,481,475.79</b>
<b>Payroll Transactions</b>		
Payroll Checks Issued	50477 - 50506	\$480,741.99
3/3, 3/17, 3/24, 3/31	PMA Payroll (Longshore Labor)	248,751.98
<b>Total Payroll</b>		<b>729,493.97</b>
<b>Total Payments</b>		<b>3,210,969.76</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 14th day of April, 2020:

DocuSigned by:  
 President  
D884C4BAE8DF4DC..  
 Vice President  
 DocuSigned by:  
 Secretary  
CE451231364A4A6...