



Port of Vancouver USA

AGENDA

PORT OF VANCOUVER USA BOARD OF COMMISSIONERS REGULAR MEETING AGENDA

3103 Lower River Road, Vancouver, WA 98660
Tuesday, October 22, 2013

- A) **CALL TO ORDER (9:30 a.m.)**
- B) **EXECUTIVE SESSION**
None
- C) **OPENING REMARKS**
 - 1) Opening Remarks – Pledge of Allegiance, guest introductions, etc.
 - 2) Approve and Sign Minutes of the October 8, 2013, Regular Meeting
- D) **OPEN FORUM**
(Open to the public for comment on subjects not on the agenda – Five minute limit)
- E) **ACTION ITEMS**
 - 1) Approve the Ground Lease Agreement Between the Port of Vancouver USA and Tesoro Savage Petroleum Terminal LLC.
 - 2) Approve 2014 Preliminary Budget
 - 3) Approval of Public Works Contract for Bid# 13-07: WVFA Project #15 Schedule Two Rail Access - Demolition
 - 4) Approval of Public Works Contract for Bid# 13-12: Port of Vancouver Security Department Building Rebid
 - 5) Approval of Resolution No. 10-2013 Commissioner Compensation
- F) **UNFINISHED BUSINESS**
- G) **NEW BUSINESS**
- H) **EXECUTIVE DIRECTOR REPORT**
- I) **COMMISSIONERS REPORTS**
- J) **UPCOMING EVENTS**
- K) **SIGN DOCUMENTS**
- L) **WORKSHOP**
None

M) **ADJOURNMENT**

Agenda Item No. C-2

REQUEST FOR COMMISSION ACTION	PORT OF VANCOUVER USA	
PREPARED BY: 	Administrative Assistant	10/22/2013
Callie DeBoer	Title	Date
APPROVED BY:	Title	
SUBJECT:	Minutes of the October 08, 2013 Regular Meeting	

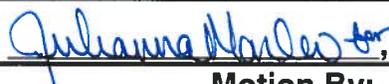
BACKGROUND:

Please see attached minutes.

Additional Information Attached: Minutes of 10/08/13 Regular Meeting

RECOMMENDATION:

That the Port of Vancouver USA Board of Commissioners adopts and executes the minutes of the October 08, 2013, Port of Vancouver USA Board of Commissioners Regular Meeting as presented.

Respectively Submitted by:  **for**, Executive Director

Date Action Taken _____ **Motion By:** _____

Approved: _____ **Seconded By:** _____

Deferred To: _____ **Unanimous:** Yes ___ No ___

Agenda Item No. E-1

REQUEST FOR COMMISSION ACTION
REVIEWED BY:

PORT OF VANCOUVER USA

APPROVED BY:

	Director of Economic Development & Facilities	10/22/2013
Curtis Shuck	Title	Date

SUBJECT: Approve the Ground Lease Agreement Between the Port of Vancouver USA and Tesoro Savage Petroleum Terminal LLC.

BACKGROUND:

The Port of Vancouver USA has established the strategic goals of maximizing marine business and development, maximizing industrial development, developing and preserving multi-modal transportation access, and generating and sustaining diversified revenues.

In unison with a significant review and due diligence process, the port has negotiated a Ground Lease with Tesoro Savage Petroleum Terminal LLC (TSPT) for approximately 41.99 acres, a composite of five separate parcels located within the port's rail facility, Terminal 5, Parcel 1A and Berth 13 and 14 for the permitted use of transloading petroleum products off of or onto railcars, placement into bulk storage and loading onto or off of marine vessels. The term of the lease will be ten (10) years with two five (5) year options to extend.

The TSPT Ground Lease has certain contingency requirements and contingency periods related to the permitting and approval processes which are required to be obtained for the permitted use, prior to the construction and operation of the facility.

The port and TSPT have certain capital investment requirements and responsibilities as well as delivery timelines to support the construction of the TSPT Project, which are specifically required by the Ground Lease.

Over the initial term of the Ground Lease, the revenue to the port is anticipated to be in excess of \$45.0 million.

Additional Information Attached? No

RECOMMENDATION That the Board of Commissioners Approve the Ground Lease between the Port of Vancouver USA and Tesoro Savage Petroleum Terminal LLC.

Respectively Submitted by: Juliana Markley, Executive Director

Date Action Taken _____ **Motion By:** _____

Approved: _____ **Seconded By:** _____

Deferred To: _____ **Unanimous:** Yes ___ No ___

Agenda Item No. E-2

REQUEST FOR COMMISSION ACTION		PORT OF VANCOUVER USA	
PREPARED BY:	 Jeff Estueta	Director of Finance	10/22/2013
		Title	Date
APPROVED BY:			
		Title	Date
SUBJECT:	Approve 2014 Preliminary Budget		

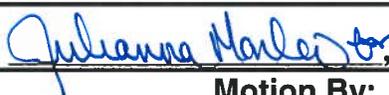
BACKGROUND:

Each year, as part of the annual budget process, staff prepares a preliminary budget document. Per RCW 53.35.010, the preliminary budget of the port district for the ensuing fiscal year shows the estimated expenditures and the anticipated sources of funds. A budget workshop was held on October 21, 2013 to review the port's recommended 2014 budget of the port district. The workshop was attended by Port of Vancouver staff and Port of Vancouver Board of Commissioners and was open to the public. The final budget will be adjusted based on input from the workshop and is anticipated to be on the November 12, 2013 Board of Commissioner's agenda for a public hearing and commission action.

The attached 2014 preliminary budget shows, in broad form, the estimated expenditures and the anticipated available funds from which all expenditures are to be paid.

Additional Information Attached: 2014 Preliminary Budget

RECOMMENDATION: That the Port of Vancouver Board of Commissioners adopts the 2014 preliminary budget as presented.

Respectively Submitted by: 	Executive Director
Date Action Taken _____	Motion By: _____
Approved: _____	Seconded By: _____
Deferred To: _____	Unanimous: Yes ___ No ___

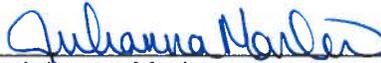
2014 PRELIMINARY BUDGET

10/21/2014

<u>SOURCES</u>	
Operating Revenues	
15-Rail	606,055
16-Finance	50,000
20-Facilities	11,096,533
21-Marine Operations	13,754,825
22-Security	218,101
32-Environmental	-
40-Marine Terminal	8,362,997
Total Operating Revenues	<u>\$ 34,088,511</u>
Nonoperating Revenues	
Ad Valorem Taxes	9,986,858
Interest Income	80,000
Grants	9,217,732
Proceeds from Sale of Property	-
Other	64,000
Total Nonoperating Revenues	<u>\$ 19,348,590</u>
Total Revenues	\$ 53,437,101
Transfer from General Fund/Financing	\$ 32,943,183
TOTAL SOURCES	<u>\$ 86,380,284</u>

<u>USES</u>	
Operating Expenses	
10-Administration	1,898,758
11-Public Affairs	1,468,512
12-Information Technology	980,650
13-Contracts	319,550
14-Human Resources	334,515
15-Rail	1,244,263
16-Finance	1,521,133
20-Facilities	5,062,690
21-Operations	1,640,387
22-Security	1,915,194
32-Environmental	783,129
40-Terminal	8,126,478
Total Operating Expenses	<u>\$ 25,295,259</u>
Nonoperating Expenses	
Debt Service	5,683,133
Environmental Remediation	924,412
Other Nonoperating Expenses	351,407
Total Nonoperating Expenses	<u>6,958,952</u>
Total Expenses	<u>32,254,212</u>
Capital Projects	54,126,072
TOTAL USES	<u>\$ 86,380,284</u>

Agenda Item No. E- 3

REQUEST FOR COMMISSION ACTION	PORT OF VANCOUVER USA	
REVIEWED BY:	Director of Administrative Services	
 Julianna Marler	Title	
APPROVED BY:	Director of Economic Development & Facilities	10/22/2013
Curtis Shuck	Title	Date
SUBJECT:	Approval of Public Works Contract for Bid# 13-07: WVFA Project #15 Schedule Two Rail Access - Demolition	

BACKGROUND:

The West Vancouver Freight Access Project (WVFA) meets the Port of Vancouver's following strategic goals: 1) maximize marine business and development, 2) maximize industrial business and development, 3) develop and preserve multi-modal transportation access, and 4) generate and sustain diversified revenues.

WVFA Project #15 Schedule Two Rail Access - Demolition is vital to increasing the operational efficiency of the port's rail system and will provide a corridor for construction of the south lead extension. The project includes demolition of the # 30, 40, 50 grain silos and drum house as well as building #2155, a wood framed storage warehouse. Additional work includes site grading, utility modifications, paving and construction of building enclosures for partially demolished structures adjoining tenant properties.

On August 29, 2013, the Port of Vancouver issued an Invitation to Bid for the WVFA Project #15 Schedule Two Rail Access - Demolition. The following bids were opened on October 14, 2013:

Bidder	Location	Amount
Rhine Demolition, LLC	Tacoma, WA	\$3,910,677.26
Rotschy, Inc.	Vancouver, WA	\$4,561,977.39
Wm. Dickson Co.	Tacoma, WA	\$4,607,343.76
Todd Construction, Inc.	Tualatin, OR	\$5,120,761.80
Sabre Demolition Corporation	Warners, NY	\$6,980,032.10

Due to the complexity of the project, supplemental bidder responsibility criteria was required. Staff has concluded that the contractor's bid was responsive and that Rhine Demolition, LLC and their major subcontractors are responsible and capable of performing the work.

This project is the recipient of funds granted by the Federal Rail Administration's HSIRP Grant Program, with 40% of this project being funded by this grant. Additional project funds have been provided by the Washington Freight Mobility Strategic Investment Board (FMSIB). The project is below the engineers estimate and included in the 2013 approved budget.

Additional Information Attached? No

RECOMMENDATION That the Board of Commissioners authorizes the Executive Director to execute a public works contract with Rhine Demolition, LLC, the lowest responsive and responsible bidder, for Bid# 13-07: WVFA Project #15 Schedule Two Rail Access - Demolition in the amount of \$3,910,677.26 including Washington State Sales Tax.

Respectively Submitted by:  Executive Director	
Date Action Taken _____	Motion By: _____
Approved: _____	Seconded By: _____
Deferred To: _____	Unanimous: Yes ___ No ___

Agenda Item No. E- 4

REQUEST FOR COMMISSION ACTION

PORT OF VANCOUVER USA

REVIEWED BY:

Director of Administrative
Services



Julianna Marler

Title

APPROVED BY:

Director of Economic
Development & Facilities

10/22/2013

Curtis Shuck

Title

Date

SUBJECT:

Approval of Public Works Contract for Bid# 13-12: Port of Vancouver
Security Department Building Rebid

BACKGROUND:

This project meets the Port of Vancouver's following strategic goals: 1) maximize marine business and development, 2) maximize industrial business and development, and 3) generate and sustain diversified revenues.

The Port's West Vancouver Freight Access program continues to develop the rail capacity of the port resulting in greater efficiencies in moving diverse cargoes to and from the port. These improvements and their efficiencies, coupled with the deepening of the Columbia River channel, provide a unique opportunity for increasing the throughput of all types of cargo through the port and our ability to market our state of the industry facilities to the world.

To accommodate the expansion of the rail corridor, the former port security building (Building 2005) was razed. The old security building was a single-story wood-frame structure with a footprint of approximately 2,100 square feet. It is being replaced by a new single-story 2,900 square-foot wooden structure. The new security building has been sited on Terminal 3, adjacent to the current port maintenance shop to provide a more central location within the secure TWIC area, and to take advantage of the synergies that come with co-locating multiple departments.

On August 29, 2013, the Port of Vancouver issued an Invitation to Bid for the Port of Vancouver Security Department Building Rebid. The following bids were opened on September 26, 2013:

Bidder	Location	Base Amount	Amount With Additive Alternate
2KG Contractors	Portland, OR	\$699,722.00	\$743,082.00
JWC Construction	Vancouver, WA	\$723,477.86	\$795,021.86
Par-Tech Construction	Oregon City, OR	\$732,784.00	\$799,992.00
Silco Commercial Construction	Portland, OR	\$746,876.00	\$797,897.81
Big Rock Construction	Tumwater, WA	\$847,243.56	\$884,099.56
Team Construction	Vancouver, WA	\$874,146.27	\$941,272.97
Integrity Structures	Vancouver, WA	Non-Responsive Bidder	
Todd Hess Building Co.	Portland, OR	Non-Responsive Bidder	

Award of this contract is determined by lowest base bid. Because the port received competitive pricing on the additive alternate, staff recommends awarding base bid plus additive alternate to complete the project. Staff has concluded that the lowest responsive base bid was submitted by 2KG Contractors and that they are a responsible contractor capable of performing the work.

This project is the recipient of funds granted by the FEMA's 2009 Port Security Grant Program, with \$464,250 of this project being funded by this grant. The project is included in the 2013 approved budget.

Additional Information Attached? No

RECOMMENDATION: That the Board of Commissioners authorizes the Executive Director to execute a public works contract with 2KG Contractors, the lowest responsive and responsible bidder, for Bid# 13-12: Port of Vancouver Security Department Building Rebid for a not to exceed amount of \$743,082.00 including the additive alternative and Washington State Sales Tax.

Respectively Submitted by: Juliana Harber Executive Director

Date Action Taken _____

Motion By: _____

Approved: _____

Seconded By: _____

Deferred To: _____

Unanimous: Yes ___ No ___

Agenda Item No. E-5

REQUEST FOR COMMISSION ACTION	PORT OF VANCOUVER USA	
REVIEWED BY:	Port Counsel	
Alicia Lowe	Title	
APPROVED BY:	Executive Director	10/22/2013
Todd Coleman	Title	Date
SUBJECT:	Approval of Resolution No. 10-2013 Commissioner Compensation	

BACKGROUND:

On September 10th, 2013, the Port of Vancouver USA Board of Commissioners held a public workshop discussing the current status of their compensation under Resolution No. 10-2011 and potential changes to their compensation authorized under RCW 53.12.260. Since then further discussions have taken place at regularly held Port of Vancouver USA Board of Commissioner meetings.

On October 11th, 2011, the Port of Vancouver USA Board of Commissioners adopted Resolution No. 10-2011, which set the Port Commission salary to the applicable statutory amount under RCW 53.12.260(3). The amount allowed under current statute is \$635.00 per month which includes the allowable adjustment for inflation.

The attached Resolution No.10-2013, which establishes the rate of compensation according to the Port's gross operating revenues, repeals Resolution No. 10-2011.

Additional Information Attached? Yes

RECOMMENDATION: That the Port of Vancouver USA Board of Commissioners approve the proposed Resolution No. 10-2013 Repealing Resolution 10-2011.

Respectively Submitted by: Julianne Marley Executive Director

Date Action Taken _____ **Motion By:** _____

Approved: _____ **Seconded By:** _____

Deferred To: _____ **Unanimous: Yes** ___ **No** ___

RESOLUTION 10 - 2013

A RESOLUTION OF THE PORT OF VANCOUVER USA BOARD OF COMMISSIONERS, CLARK COUNTY WASHINGTON, REPEALING RESOLUTION NO. 10-2011 AND ADDRESSING THE COMPENSATION OF PORT OF VANCOUVER USA BOARD OF COMMISSIONERS.

WHEREAS, RCW 53.12.260 provides for compensation to be paid to Port Commissioners, and establishes the rate of compensation according to the Port's gross operating revenues, and provides alternatively that each Port district may establish its Port Commissioner rate of compensation; and

WHEREAS, pursuant to Resolution No. 10-2011, the Port of Vancouver USA Board of Commissioners adopted the statutory salary for Port Commissioners pursuant to RCW 53.12.260(3) on October 11, 2011; and

WHEREAS, the Washington State Constitution, Article XI Section 8, provides that the salary of a Port Commissioner cannot be increased or decreased during his or her term of office, meaning that any adjustment to Port Commissioner compensation shall go into effect only after each existing Port Commissioner position stands for election and at the first date of the next term of each Port Commissioner position, and

WHEREAS, the Port of Vancouver USA was established as a port district by the voters of Clark County, Washington, on the 11th day of April, 1912, and has been a major economic force in Clark County since its founding; and

WHEREAS, the Port of Vancouver USA is governed by three Port Commissioners elected to six-year terms of office by the voters of Clark County and whose mission is to create jobs by advancing trade and commerce, promoting industrial growth and stimulating economic development; and

WHEREAS, in a representative democracy, citizens representing the diverse residents of Clark County ought to be able to serve in elected office, such as a Vancouver USA Port Commissioner; and

WHEREAS, the \$7,620 annual salary of a Port of Vancouver USA Port Commissioner is a barrier for many citizens to serve in this position and is not commensurate with the breadth and complexity of the operations of the Port of Vancouver USA, nor the substantial commitment of time and effort required to fulfill the duties of the office in advancing the interests of the Port of Vancouver USA and Clark County; and

WHEREAS, as a matter of good governance and sound public policy, the Port of Vancouver USA Board of Commissioners wishes to adopt a schedule that increases the salary for Port of Vancouver USA Port Commissioners as the gross operating revenues of the Port of Vancouver increases; and

WHEREAS, gross operating revenue is an indicator of the Port's investment in community assets that drive economic development and opportunities for businesses to start and expand in Clark County, thus creating jobs; and

WHEREAS, RCW 53.12.260 uses gross operating revenues to establish statutory salary levels for Port Commissioners; and

WHEREAS, a higher salary may encourage more citizens of Clark County to be candidates for election to the Port of Vancouver USA Board of Commissioners since salary may be a consideration in an individual's decision to seek elective office.

WHEREAS, the Strategic Plan adopted by the Port of Vancouver USA Board of Commissioners in 2013 aspires to create new family wage jobs, generate tax revenue to support public services, generate personal income and generally support economic benefit; and

WHEREAS, the 2013 Strategic Plan envisions extensive outreach across Clark County by the Port of Vancouver USA Board of Commissioners to other regional government officials, industry and union stakeholders, educational institutions and community organizations leading to job creation and workforce development in the maritime and industrial sectors; and

WHEREAS, the success of the 2013 Strategic Plan is critical to the long-term continued job growth, economic health and environmental sustainability of Clark County; and

WHEREAS, the existing rate of per diem compensation is \$114 day, with a maximum of \$13,680 year; and

WHEREAS, the Port Commission wishes to repeal Resolution No. 10-2011 and set its own compensation as authorized by RCW 53.12.260 and as provided below.

NOW, THEREFORE, BE IT RESOLVED by the Port of Vancouver USA Board of Commissioners as follows:

Section 1. The Port of Vancouver USA Board of Commissioners invited public comments on its proposal for adjustment to the Port Commissioner compensation.

Section 2. After consideration of that public comment, the Port of Vancouver USA Board of Commissioners adopts a salary as reflected on the salary schedule table below, with the per diem compensation as set forth in the RCW 53.12.260.

Revenue Level	Monthly Commissioner Salary	Adjustment
Less than \$25 Million	\$250	Per RCW 53.12.260
\$25 to \$35 Million	\$635	Per RCW 53.12.260
\$35 to \$50 Million	\$800	Per RCW 53.12.260
\$50 to \$70 Million	\$1,000	Per RCW 53.12.260
\$70 to \$95 Million	\$1,400	Per RCW 53.12.260
\$95 to \$125 Million	\$1,800	Per RCW 53.12.260
\$125 to \$160 Million	\$2,250	Per RCW 53.12.260
\$160 to \$200 Million	\$2,800	Per RCW 53.12.260
Greater than \$200 Million	\$3,500	Per RCW 53.12.260

Section 3. The adjustment to Port Commissioner compensation for each existing Port Commissioner position shall go into effect only after each existing Port Commissioner position stands for election and at the first date of the next term of each Port Commission position. Any Port Commissioner appointed to an existing Port Commissioner position shall not be eligible for this salary increase until after being elected to the position and the adjustment shall go into effect at the first date of the next term of such existing Port Commission position.

Section 4. An increase of the Port of Vancouver USA's gross operating revenues in the preceding calendar year to any revenue levels listed on the salary schedule table included in Section 2, shall result in an increase of salary to the Port of Vancouver USA Port Commissioners. The amount of gross operating revenues in the preceding calendar year shall be confirmed by the Washington State Auditor's Office during its annual audit. Any adjustment to an eligible Port Commissioner's compensation shall be made following the annual financial audit and any adjustments will be paid retroactively to the beginning of the current calendar year.

Section 5. The dollar thresholds for per diem compensation shall be adjusted for inflation by the office of financial management pursuant to RCW 53.12.260 every five years, with the next adjustment occurring on July 1, 2018 based upon changes in the consumer price index as defined in that statute during that time period. The salary amounts set forth in Section 2 shall be adjusted for inflation at the rate equal to that set for the per diem adjustment by the office of financial management every five years, based upon changes in the consumer price index during that time period, as set forth in RCW 53.12.260 as that statute currently exists or as may be amended in the future, with the next adjustment occurring on July 1, 2018.

Section 6. Pursuant to Article XI, Section 8 of the Washington State Constitution, the salary of any Port Commissioner shall not decrease during his or her term of office.

Section 7. As provided by RCW 53.12.265, a Port of Vancouver USA Port Commissioner may waive all or any portion of the compensation payable under RCW 53.12.260 by filing a written waiver with the Secretary of the Port of Vancouver USA Board of Commissioners.

Section 8. Resolution No. 10-2011 is hereby repealed.

ADOPTED by the Port of Vancouver USA Board of Commissioners at a duly noticed public meeting thereof, held October 22, 2013, and duly authenticated in open session by the signatures of the Commissioners voting in favor thereof.

PORT OF VANCOUVER USA
BOARD OF COMMISSIONERS

President

Vice President

Secretary