



AAPA Commissioners Seminar

Board Management Relations *A Critical Factor in Your Port's Success*

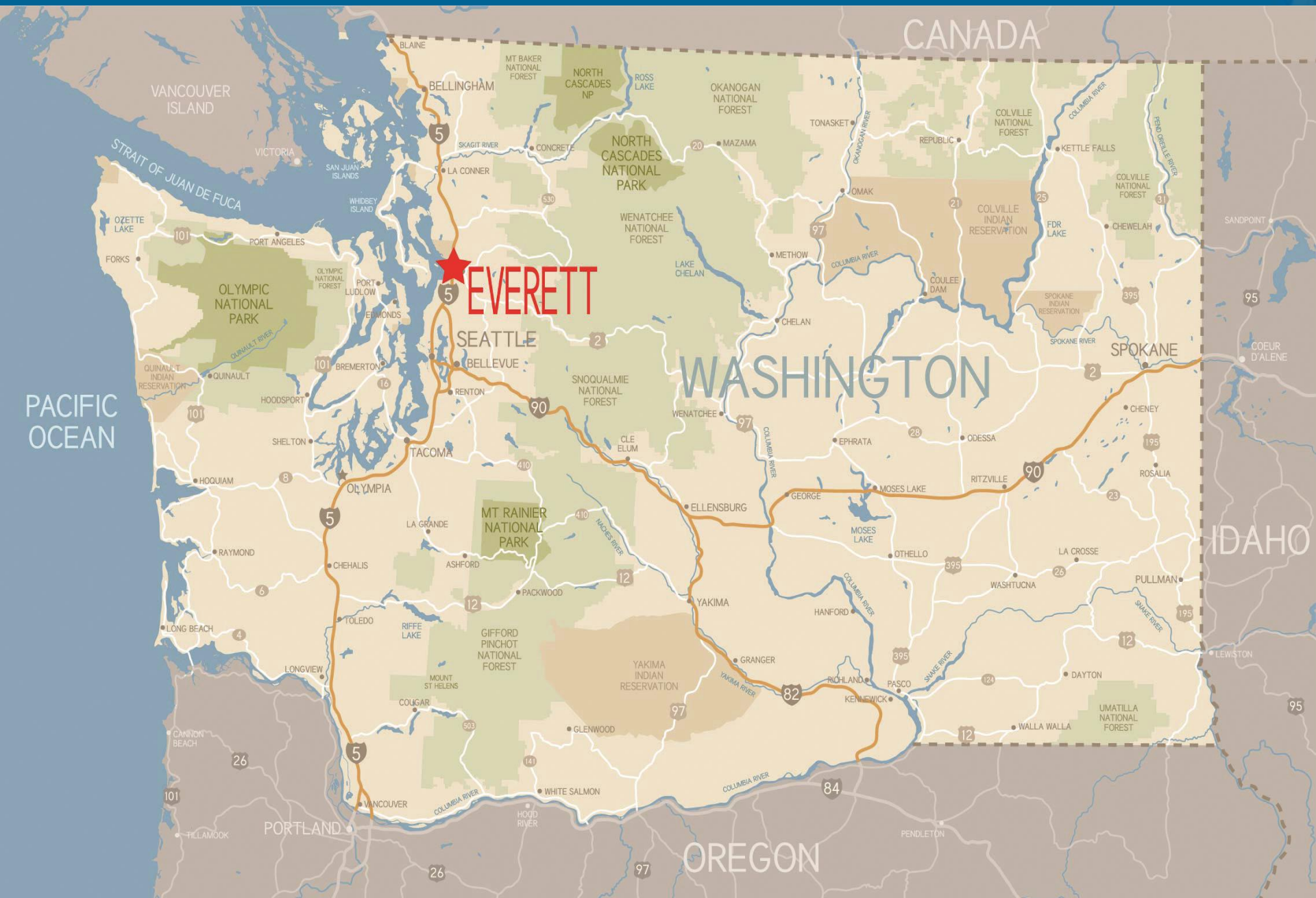
Port Commissioner Troy McClelland &
Executive Director John Mohr

June 4, 2014



Agenda/Topics

- Port of Everett Overview
- Organization Structure
- Board Structure & Profile
- Best Practices
- Questions



CANADA

VANCOUVER ISLAND

PACIFIC OCEAN

EVERETT

WASHINGTON

IDAHO

OREGON

BELLINGHAM

SEATTLE

SPOKANE

PORTLAND

OLYMPIC NATIONAL PARK

NORTH CASCADES NATIONAL PARK

MT RAINIER NATIONAL PARK

STRAIT OF JUAN DE FUCA

QUINULT INDIAN RESERVATION

SNOQUALMIE NATIONAL FOREST

GIFFORD PINCHOT NATIONAL FOREST

NORTH CASCADES NP

OKANOGAN NATIONAL FOREST

COLVILLE NATIONAL FOREST

COLVILLE INDIAN RESERVATION

SPOKANE INDIAN RESERVATION

YAKIMA INDIAN RESERVATION

UMATILLA NATIONAL FOREST

CONCRETE

MAZAMA

REPUBLIC

KETTLE FALLS

EDMONDS

BELLEVUE

RENTON

CHELAN

COULLEE DAM

CHEWELAH

HOODSPORT

TACOMA

ELLENBURG

GEORGE

RITZVILLE

HOQUIAM

OLYMPIA

LA GRANDE

CLE ELLUM

MOSES LAKE

ODESSA

LONG BEACH

TOLEDO

ASHFORD

PACKWOOD

YAKIMA

HANFORD

OTHELLO

LA CROSSE

CANIMON BEACH

LONGVIEW

COUGAR

GLENWOOD

GRANGER

PASCO

DAYTON

WALLA WALLA

HILLAMOOK

VANCOUVER

WHITE SALMON

HOOD RIVER

PENDLETON

LEWISTON

COEUR D'ALENE

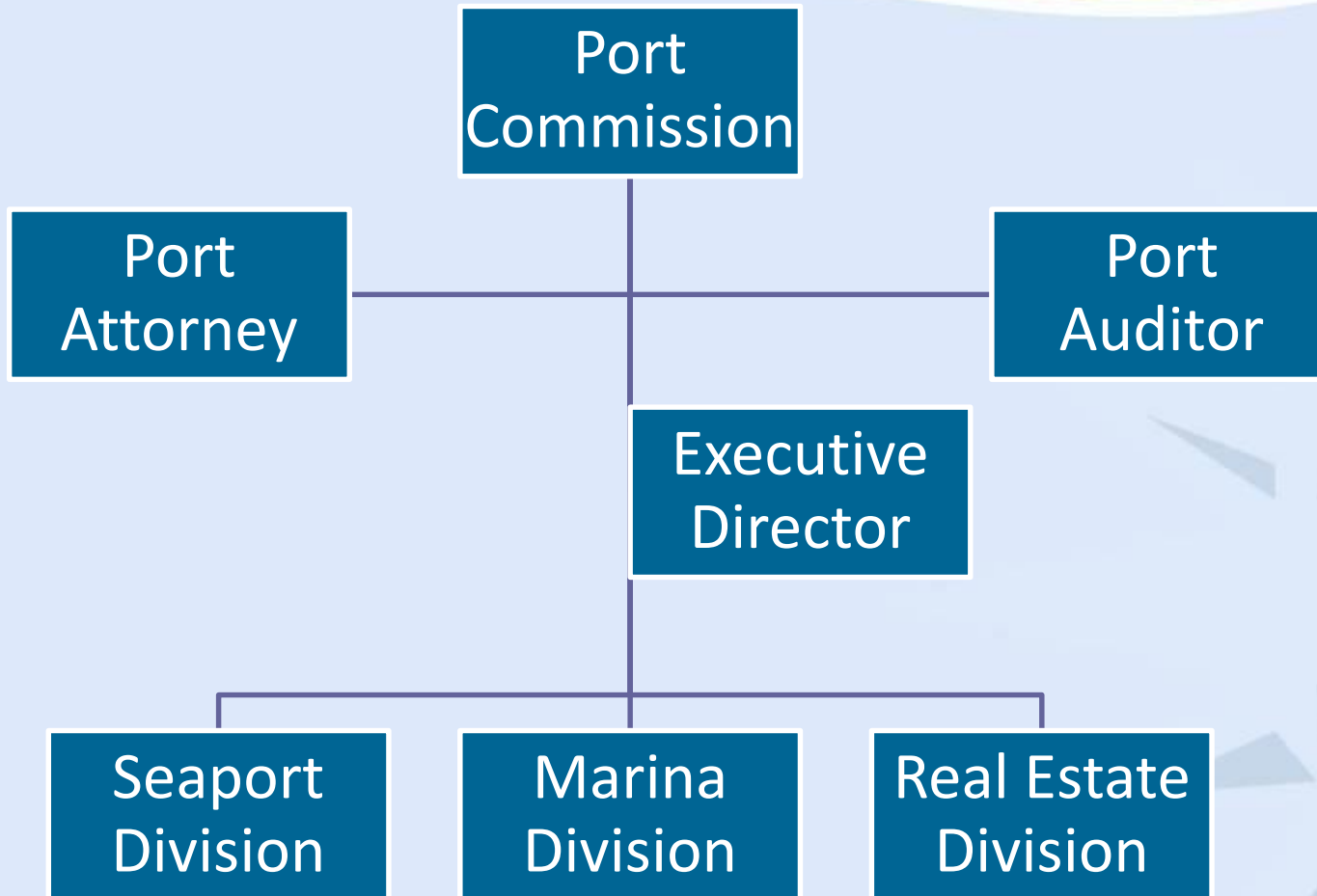
SANDPOINT

About the Port of Everett

- The Port District and boundaries formed in 1918; serves nearly 100,000 people
 - Not a countywide port
 - Special Purpose District ‘economic development’ governed by three commissioners
- The Port of Everett is the state’s second largest port by economic output and third largest container port in the state
 - Homeport to Naval Station Everett
- Operates three lines of business



Organization Structure



About the Commissioners

Troy McClelland



Background:

- CEO of Economic Alliance Snohomish County
- Navy Captain (RC)
- Fortune 500 Business Executive

Tom Stiger



Background:

- Local Business Owner
- Retired Educator

Glen Bachman



Background:

- CEO of Everett Mall
- Formerly with Kemper Freeman; Bellevue Square Development

Board Structure

- The Port District is governed by three Port Commissioners who are elected to six year terms.
- Open Public Meetings Act
- The Commissioners rotate annually between President, Vice-President and Secretary.
- Most of the powers of the Port are directly vested in its Commission.

Board Profile

- The Port Commission is the District's policymaking and regulatory body.
- The Commission is responsible for setting the policy of the district for both internal and external matters and providing for their implementation.
- The three positions that report directly to the Port Commission are the Executive Director, Auditor and Attorney
- Port Commissioners receive a monthly stipend and per diem for meetings

Executive Leadership

John Mohr
Executive Director



Background:

- 17 years as Port of Everett Executive Director
- 30 years in Port industry

Les Reardanz
Deputy Executive Director



Background:

- Four years in the Port industry
- 15 years in city government
- Licensed attorney
- Navy Captain (RC)

Seaport Overview

- Specializes in high and heavy cargoes for the manufacturing, construction and energy industries
- Supports over 34,000 jobs in the region, generates \$4.1 million in annual revenue and \$276 million to the tax base

Major Imports	Major Exports
<ul style="list-style-type: none">- Aerospace parts- Cement- Wind energy components- Heavy machinery- Transformers- Containerized cargoes- Oil & gas	<ul style="list-style-type: none">- Wind energy components- Containers- Heavy machinery- Materials to support gold mining efforts in Russia- Oil & gas- Logs

Cargo Snapshot



Port of Everett & Aerospace

- The Port of Everett is an essential element in this supply chain
- Transports all the oversized aircraft parts for the 747, 767 and 777 airplanes, and serves as a backup for the 787 Dreamliner.
- In 2014, aviation-related commodities made up over \$43 billion of exports through Washington.
- Supports more than 63,000 jobs in the region.
- In 2014, Everett secured the assembly and wing manufacturing for the 777X.



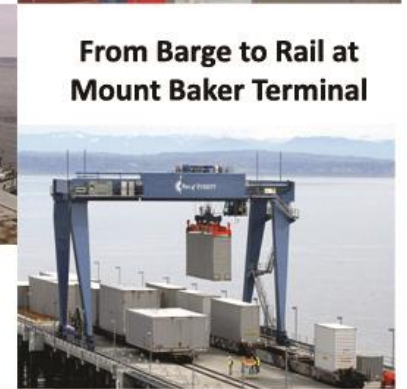
Loaded onto Barge



Parts Arrive By Ship & Staged at Port



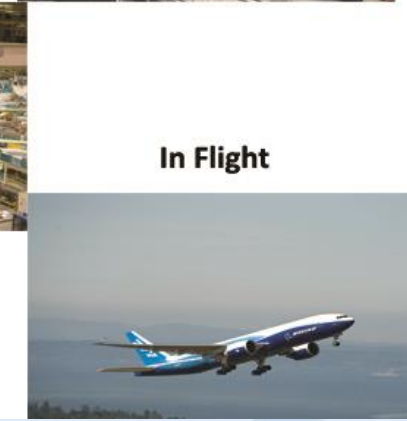
Parts Delivered to the local aerospace industry



From Barge to Rail at Mount Baker Terminal



In Flight





A Transition to a Strategic Enterprise



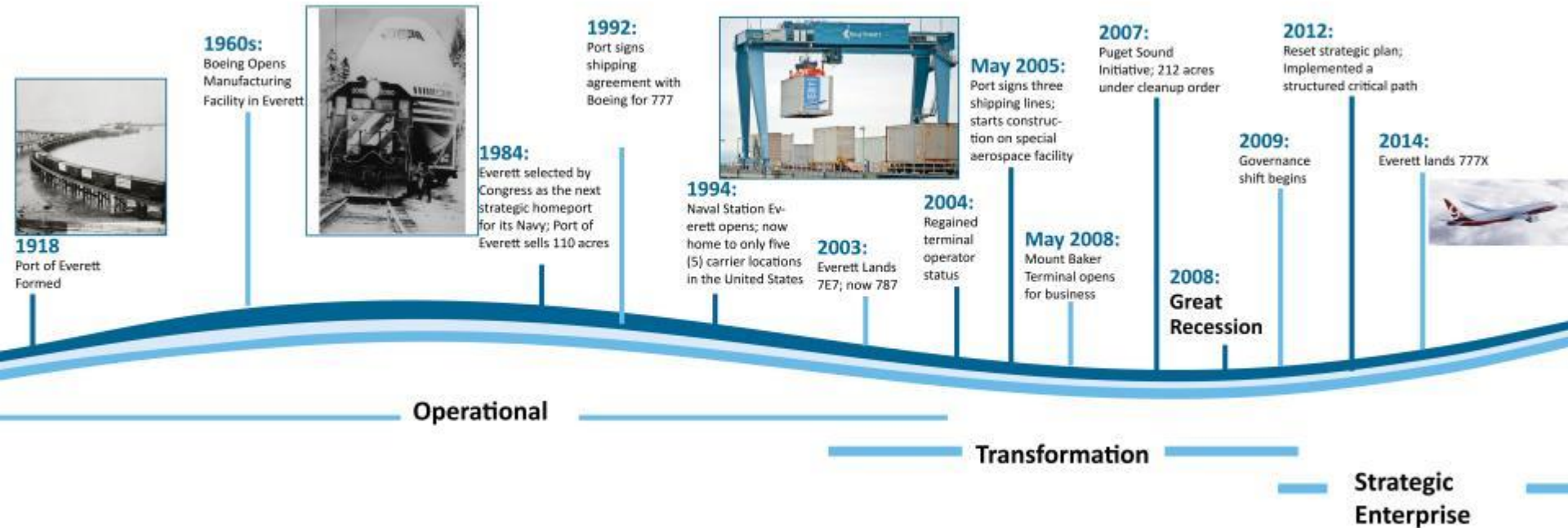
A Philosophical Shift in Leadership

- New leadership challenged management to change the conversation on how Everett was positioned in the global marketplace
- What are the facts?
 - Home to The Boeing Company & Naval Station Everett
 - Smaller port, smaller Navy Base; **BUT** big strategic value
 - Not a tonnage port, but rather a value port
 - Everett is ranked first in the state in export value; and third on the West Coast
- Port equals economic opportunities and jobs

Open Public Dialogue

- In 2010, there was a community-led effort to increase the Port Commission from three commissioners to five; and reduce term limits to four years.
 - The measure failed by 60%
- 2010-2012: Public engagement allowed the port to shift from a tactical to strategic operation

Why the Shift?



**Great Recession used as a tool to focus effort*



Best Practices

For Good Board/Management Relations



Best Practices

- Relationships
- Communication
- Strategic Direction
- Commission Direction to Management

Thank you!
Questions? Comments

