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
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
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
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.
• 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

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<th>Major Imports</th>
<th>Major Exports</th>
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<tr>
<td>– Aerospace parts</td>
<td>– Wind energy components</td>
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<td>– Cement</td>
<td>– Containers</td>
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<td>– Wind energy components</td>
<td>– Heavy machinery</td>
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<td>– Heavy machinery</td>
<td>– Materials to support gold mining efforts in Russia</td>
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<td>– Transformers</td>
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<td>– Containerized cargoes</td>
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The Port of Everett is an essential element in this supply chain. It 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. It supports more than 63,000 jobs in the region. In 2014, Everett secured the assembly and wing manufacturing for the 777X.
A Transition to a Strategic Enterprise
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
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