



## PORT COMMISSION OF THE PORT OF EDMONDS

### MINUTES OF REGULAR MEETING

April 29, 2019

#### COMMISSIONERS PRESENT

Steve Johnston, President  
Jim Orvis, Vice President (by phone)  
Bruce Faires  
David Preston

#### STAFF PRESENT

Bob McChesney, Executive Director  
Marla Kempf, Deputy Director  
Tina Drennan, Finance Manager  
Brittany Williams, Properties and Marketing Manager

#### COMMISSIONERS ABSENT

Angela Harris, Secretary (excused)

#### OTHERS PRESENT

Bradford Cattle, Port Attorney  
Karin Noyes, Recorder

#### CALL TO ORDER

President Johnston called the meeting to order at 7:00 p.m.

#### PLEDGE OF ALLEGIANCE

All those in attendance participated in the Pledge of Allegiance to the American Flag.

#### CONSENT AGENDA

**COMMISSIONER FAIRES MOVED THAT THE CONSENT AGENDA BE APPROVED TO INCLUDE THE FOLLOWING ITEMS:**

- A. APPROVAL OF AGENDA**
- B. APPROVAL OF APRIL 8, 2019 MEETING MINUTES**
- C. APPROVAL OF PAYMENTS IN THE AMOUNT OF \$154,365.35**

**COMMISSIONER PRESTON SECONDED THE MOTION, WHICH CARRIED UNANIMOUSLY.**

#### PUBLIC COMMENTS

**Ross Dimmick, Edmonds**, commended Port staff on the new entrance at SR-104 and Dayton Street, which looks very nice and is a big improvement. He also reported that he and his wife encountered a mallard duck and her ducklings on Saturday morning. The mother had crossed the stream where it flows under the tracks, but her babies were unable to get through the culvert to the other side. He contacted Port staff, and they were able to open the gate and get four of the ducklings to safety, but the other two were still trapped. The City's Animal Control Officer happened by and used a net to get the remaining babies out of the culvert. He said that, over the past few years, he has encountered a number of animals in distress, and it is not always clear who to call for help. He suggested that perhaps the Port should have signs around telling people who to contact when they encounter these situations.

**Kevin Coulombe, U.S. Coast Guard Auxiliary Representative, District 13, Flotilla 12**, advised that the Flotilla has about 60 members and has been operating out of the Port of Edmonds for about 30 years. Some of its members also have boats in the marina. He thanked the Port Commission and staff for letting them conduct vessel safety inspections in the marina. He reported that they have had great cooperation in the past and appreciate the Port's support. He also thanked them for letting them use their facilities on Wednesday evenings for their meetings. He announced that May 17<sup>th</sup> is "Wear Your Life Jacket to Work Day." He said he knows that Port staff wear their life jackets, and the program is intended to educate the public on the importance of life jackets. There have been a number of drownings already in 2019 in boating accidents, and they would like to avoid fatalities in the future.

Mr. McChesney said he has known Mr. Coulombe for 35 years, as they went to graduate school together. He said he is a personal friend, a master mariner and a pleasure to work with. Commissioner Johnston thanked Mr. Coulombe for his service as a member of the U.S. Coast Guard Auxiliary, which provides a great service to the community. Commissioner Preston asked how the Port could assist in drawing awareness of the Coast Guard Programs. Commissioner Faires noted that he hasn't seen any of the training programs offered by the Coast Guard advertised in local newspapers. These courses are helpful and the public should be made aware of the opportunities. Mr. Coulombe said they are hoping to do more public outreach in the future. He noted that membership has decreased in recent years, and they have lost a number of their leaders who were WW2 veterans. They are doing a lot of catching up to get the programs back on track.

**Vivian Olsen, Edmonds**, said she shares frustration with a lot of other citizens about the lack of cooperation amongst government agencies. While the City and the Port have generally done well in this regard, she recently attended a Sound Transit meeting and was frustrated to learn that the City of Edmonds was notified about a year ago that Sound Transit would be making a major (\$40,000,000) investment in Mukilteo and Edmonds to address parking. With all of the conversations amongst the citizens about how desperate they are for a parking solution, the citizens should be invited to participate in the discussion. She suggested that perhaps the City's parking study should be moved up to take advantage of the financial resources that will be available from Sound Transit. She advised that Sound Transit intends to make a decision on how the \$40,000,000 will be spent between the two cities within three months, and the allocation does not have to be split 50/50. Sound Transit's ultimate goal is to increase ridership. She recalled that there has been some discussion about potentially constructing a parking garage on Port property. If that plan comes to fruition, perhaps the funding from Sound Transit could be spent on another program, such as satellite parking on Highway 99 with transportation down to the Sounder Train. She urged the Port to partner with the City and Sound Transit to come up with an integrated plan that provides the best bang for everyone's collaborative buck.

Mr. McChesney advised that he participates on the Sound Transit Interagency Task Force, which has been meeting to consider all of the various alternatives. He reported that there is a high level of cooperation between the City, the Port and Sound Transit, and Sound Transit has done a fair job engaging the community in the discussion. At this stage, the discussion has included a potential parking garage and how to improve ridership by increasing capacity. Ms. Olsen said she would love to be part of the conversation going forward.

Commissioner Faires reported that the Edmonds City Council is close to finalizing a contract for a consultant to complete a parking study. The intent is to review the current situation and address future needs. The City is succeeding in its drive to make tourism a more important function in the City, and the new Community Center that will replace the Senior Center will require more parking than what is currently available, too. The City, the Port and Sound Transit have been working together to address the parking issue, and now is a really good time for citizens to share thoughts and ideas. While parking is primarily a City problem, the Port will cooperate as best it can as they work to identify solutions. Ms. Olsen suggested that rather than defining it as a "parking problem," the focus should be on providing easy access to businesses, amenities and residences. This approach would take a number of solutions off the table at the beginning.

## **PUBLIC MAILER**

Ms. Williams reviewed that the Communications Committee adopted a 2019 Public Information Plan that anticipates two separate mailers. The first will go out this spring and will be a full-color, 11" x 17" cross-fold brochure, similar to what was distributed to Edmonds/Woodway residents in the past. The second mailer will be a smaller postcard-sized distribution that will go out in the Fall. She advised that a request for proposals was sent out to three qualified

vendors, and two quotes were received. The high bid was from ADG for \$22,711.93, and the low bid was from Litho Craft for \$11,631.74. A third bid for \$20,439.84 from PsPrint was received later.

Ms. Williams recommended the Commission authorize the Executive Director to enter into a contract with Litho Craft in the amount not to exceed \$12,000 plus sales tax for the 2019 Public Mailer Contract 2019-311. She explained that the recommendation is for a not-to-exceed amount, recognizing that postage costs are variable and the final count will not be known until later.

Commissioner Faires asked if the contract would cover the cost of both mailers, and Ms. Williams answered no. She explained that the first mailer will be larger and cost significantly more. The total budget for both mailers is \$18,000, and she anticipates that both can be accomplished with the budgeted amount.

Commissioner Preston asked about the large discrepancy between the bids, and Ms. Williams advised that most of the difference was associated with printing costs.

**COMMISSIONER FAIRES MOVED THAT THE COMMISSION AUTHORIZE THE EXECUTIVE DIRECTOR TO ENTER INTO A CONTRACT WITH LITHO CRAFT IN THE AMOUNT NOT TO EXCEED \$12,000 PLUS SALES TAX FOR THE BASE BID FOR THE 2019 PUBLIC MAILER CONTRACT #2019-311. COMMISSIONER PRESTON SECONDED THE MOTION, WHICH CARRIED UNANIMOUSLY.**

### **1<sup>ST</sup> QUARTER PORT OPERATIONS REPORT**

Ms. Kempf referred to the written 1<sup>st</sup> Quarter Port Operations Report and highlighted the following:

- **Public Launch** -- Round trips increased by 32% over 1<sup>st</sup> Quarter 2018 for a total of 65, and one-way launches increased by 34% or 24.
- **Fuel Dock** – A total of nearly 36,000 gallons of fuel was sold during 1<sup>st</sup> Quarter 2019 compared to about 20,000 during the same time period in 2018.
- **Guest Moorage** – The number of boats increased by 26% compared to 1<sup>st</sup> Quarter 2018 or 44 more boats. The number of nights also increased by 36% or 89 more nights stayed.
- **Boatyard and Travelift** – The Travelift roundtrips were down by 17%, but sling times were up slightly from 45 in 2018 to 52 in 2019. Boatyard usage increased by about 50 days or 11%, perhaps due to mild weather in January and February. There were 43 roundtrip haul-outs during the “March-on-In” promotion, which was offered instead of the “Turn Back the Clock” promotion.
- **Insurance and Registration** – Staff put together an electronic method for contacting customers via email to advise them of their insurance and registration status and provide a variety of ways for them to submit the required documentation. At the end of 1<sup>st</sup> Quarter, insurance compliance was at 94% compared to 83% at the same time in 2018. Registration compliance at the end of 1<sup>st</sup> Quarter was at 89%, which is also very good. This is a marked improvement and the highest levels of documentation compliance during the 1<sup>st</sup> Quarter in the past five years.
- **Training & Certification Completed** – Training during the 1<sup>st</sup> Quarter included forklift training, fuel dock certification by the Fire District so that staff can train tenants who want to pump their own fuel, an 8-hour HazWoper refresher course for all applicable staff and a 24-hour HazWoper training course for new staff. In addition, new staff received training on the Public Launcher and three employees are now trained to operate the Travelift.
- **Seattle International Boat Show** – Fifty in-water moorage slips and 9 dry storage spaces were assigned in conjunction with the show. In addition, 14 waitlist applications were completed. She referred the Commission to demographical information that was attached to the Staff Report.

Commissioner Faires asked if the significant increase in the number of gallons of diesel fuel sold was directly related to Puget Sound Express. Ms. Kempf pointed out that Puget Sound Express didn't start operations any earlier this year and the boats didn't run until March. She suggested that the high-speed diesel pump is attracting additional customers, and staff anticipates this will continue even with fuel prices going up significantly in the past month.

## **1<sup>ST</sup> QUARTER HARBOR SQUARE REPORT**

Ms. Williams presented the 1<sup>st</sup> Quarter Harbor Square Report, specifically highlighting the following:

- Gross projected revenue was up 8.58% or roughly \$41,000 over the same period in 2018.
- The occupancy rate at the end of 1<sup>st</sup> Quarter was 98.22%, which is 4.18% greater than the occupancy rate during the same period in 2018.
- There were no new leases, but there were six lease extensions. One is 3-year lease with a tenant in Building 3 who leases approximately 5,000 square feet.
- There were no tenant improvements.
- A tenant in Building 3 terminated his lease at the end of March and moved operations to Seattle.
- Projects worth noting in Quarter 1 include new paint in the Building 5 corridor and the installation of new tenant mailboxes in Buildings 3 and 4. She received positive feedback from tenants in Buildings 3 and 4 regarding the mailboxes; the replacement boxes no longer required incoming mail to be folded and there is now an outgoing mail slot. The intent is to replace the mailboxes in the other Harbor Square buildings this year.
- There were no incidents to report in Quarter 1.

Commissioner Faires observed that an occupancy rate of 98% is basically full capacity. He asked how this compares to other commercial space in Edmonds. Ms. Williams said the economy has had a significant impact on the Harbor Square occupancy rate. However, the Harbor Square spaces are Class C, which sets them apart from other properties in Downtown Edmonds that are Class A or B and gives the Port a price advantage. Harbor Square also offers one of the only warehouse space in the downtown that can be combined with business space. She said it is difficult to predict what the future will like, but the Port currently has a large number of long-term tenants. She concluded that there will always be work to be done to keep the occupancy rate up.

Commissioner Faires asked if there are any maintenance or infrastructure issues that will impact the tenant's long-term decisions. Ms. Williams reported that the Port has done a good job of addressing two of the main issues: roofs and HVAC systems. Commissioner Preston asked when the 2019 HVAC project would take place, and Ms. Williams reported that a bid opening was conducted last week, and a contract will likely be ready for Commission approval in a few weeks.

## **SPRING ENVIRONMENTAL CAMPAIGN**

Ms. Williams announced that the Port will launch its 2019 environmental campaign called "30 Ways to Love the Ocean" on May 8<sup>th</sup>. She provided a sample of the poster that will be displayed in a variety of locations throughout Port property. The campaign will run for 30 days and end on World Oceans Day on June 8<sup>th</sup>. The goal is to provide ocean conservation information to the on-line community, and the program will feature 30 tips about ocean conservation. The Port's website will provide a variety of pictures and links to videos and other resources that are helpful and informative. It will also advertise local events that are happening in conjunction with World Ocean Day. An article about the campaign will be provided in the next newsletter, and the event will be published on the Port's social media sites. A handout will be available at the Port's table at the Family Day event.

Ms. Williams provided a brief update on the Public Access Plan, recalling that the last time the issue was discussed the Commission agreed it would be good to involve the public. Since that time, staff has worked with MAKERS to develop a survey asking the public various questions about their use of the marina. MAKERS staff conducted in-person interviews at the marina and an online survey is currently in progress using the same questions. She shared the list of questions contained in the survey and advised that no specific data will be available until the online survey is finished. If they don't get enough responses, they may consider an email blast to tenants, but they want to encourage members of the public to participate in the survey and not just tenants.

Commissioner Faires reemphasized that the initiative is intended as a public amenity and not a tenant amenity. He recognized that there will be some overlap in the survey responses, but the intent is to focus on providing public access amenities to the Port District residents. What the public feels is important might be different than what the tenants desire most.

Commissioner Johnston asked if staff has any sense of what the responses will be. Ms. Williams said the responses received so far have been positive and she was surprised at the number of people who said they come to the marina every day. Commissioner Preston asked if it would be possible to separate the tenant responses from the public responses. Ms. Williams said the distinction can be made based on the question, "Are you a tenant?" Commissioner Faires asked that the survey data be presented to the Commissioners as soon as it is available.

### **EXECUTIVE DIRECTOR'S REPORT**

Mr. McChesney reported that the Finance Committee met on April 18<sup>th</sup> to discuss the Cash Flow Model assumptions, escalators and potential modifications. The Cash Flow Model is a very useful tool, but it needs to be updated periodically. The Finance Committee will meet again in June in preparation for the 2020 Budget discussions that will start in late summer.

Mr. McChesney gave a shout out to Jordan for helping with the duck incident. He also commended staff for their excellent work with the SR-104 and Dayton Street project. Four men (Brian Menard, Travis Cruise, Aaron Panagos, and Matt Daniels) worked for five weeks to accomplish the job, which turned out to be much more challenging than originally anticipated.

Mr. McChesney reported that the Travelift broke down on Saturday, and a seasonal staff worker, Dillon Pruitt, was able to fix it so it was operational again in two hours. He commended Mr. Pruitt for his creativity and initiative, which saved the Port a lot of money and the customers a lot of frustration.

### **COMMISSIONER'S COMMENTS AND COMMITTEE REPORTS**

Commissioner Faires reported on his attendance at the April 17<sup>th</sup> Edmonds Economic Development Commission (EDC) meeting. They are continuing to pursue implementation of an analysis of the permitting process that small businesses in Edmonds face. While the requirements serve a purpose in providing checks and balances, the EDC is interested in removing as much red tape as possible. It was reported that the City's ongoing long-range financial planning effort has been stopped, which seems unwise to him. Council Member Teitzel explained that the Council is not supportive of stopping long-range financial planning, but the task force that was set up to work on the process has been disbanded. The Finance Director will continue to work on the long-range financial plan moving forward. He agreed that the City should continue to look forward more than just one year. Commissioner Faires said it is important for the City to have a contingency plan in place when the next economic downturn occurs. As a citizen, he would prefer that the City reinstate the former process.

Commissioner Faires said it was also reported at the EDC meeting that the Arts and Tourism Committee is going to be responsible for signage in the business district to identify businesses as well as the public attractions and amenities.

Commissioner Preston reported that he recently met with the principals of Edmonds Heights and Scriber Lake, two high schools, to introduce the Sea Scout Program. Both were excited about to learn more.

Commissioner Preston said he attended the Edmonds Yacht Club's General Membership Meeting last week. He also attended the Edmonds Downtown Merchant Association's meeting a few weeks ago.

Commissioner Preston announced that House Bill 1568 recently passed. The bill allows port districts to engage in economic development programs and contract with nonprofit, public and private entities for workforce diversity training, pre-apprentice programs, etc. He suggested, that we should discuss potential opportunities to implement training and apprentice programs that have value to the community. Commissioner Preston commented that they will likely hear more about the topic at the Washington Public Port Association's (WPPA) spring meeting.

Commissioner Orvis reported that the Legislative session ended on April 26<sup>th</sup>, but it will take a few weeks to sort out exactly what was accomplished.

Commissioner Johnston reported that a lot of legislation was passed related to saving salmon and orca recovery. He recalled that the Orca Recovery Task Force came up with 36 recommendations as to how to enhance orca and salmon

recovery and 11 or 12 of their recommendations were incorporated into several laws that were approved by the Legislature. One law will protect the orca against boats coming too close and too fast. When boats approach too fast or get too close, they change the orca's natural behavior. Another law will provide for stronger regulation of hydraulic project approvals, making it harder to put anything on the shoreline that will decrease habitat. The penalties will be higher, too. Yet another bill will require more registration criteria and training for whale watching businesses, as well as private boater training. A bill was also passed that creates regulations for vessels transporting oil through sensitive environments. The Model Toxic Control Act (MTCA) has been rejuvenated and more funding will be made available via a tax on oil and chemicals that is based on volume usage rather than unit cost. He advised that all of this legislation was supported by the WPPA. However, there was less support for a study on the impacts of breaching the Snake River dams. The study will continue, but he anticipates that it will just confirm what is already known.

Commissioner Johnston observed that, as a new member of the Orca Recovery Task Force, he felt there was a lack of energy after the first year when the recommendations were formulated. However, the Task Force is being reenergized now that they have had a successful legislative session. They will now turn their attention to the potential impacts of climate change on salmon and orca recovery.

Commissioner Johnston announced that he would attend the WPPA Spring Meeting in Spokane on May 15<sup>th</sup> through 17<sup>th</sup>. He also announced that he would speak at the Pacific Northwest Waterway Association meeting in June. On May 22<sup>nd</sup>, he will present a State of the Port address to the Edmonds Chamber of Commerce.

Commissioner Faires commented that the MTCA was originally intended for reclamation of brown field contaminated sites and it was very important to ports that have seen their way through a 20-year clean up process. The money was more recently diverted to the general fund and he is pleased to see that the program is once again recognized as important.

#### **ADJOURNMENT**

The Commission meeting was adjourned at 8:00 p.m.

Respectfully submitted,



Angela Harris  
Port Commission Secretary