



PORT COMMISSION OF THE PORT OF EDMONDS
MINUTES OF REGULAR MEETING

March 11, 2019

COMMISSIONERS PRESENT

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

STAFF PRESENT

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

OTHERS PRESENT

Bradford Cattle, Port Attorney
Karin Noyes, Recorder

CALL TO ORDER

Vice President Orvis 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 PRESTON MOVED THAT THE CONSENT AGENDA BE APPROVED TO INCLUDE THE FOLLOWING ITEMS:

- A. APPROVAL OF AGENDA**
- B. APPROVAL OF FEBRUARY 25, 2019 MEETING MINUTES**
- C. APPROVAL OF PAYMENTS IN THE AMOUNT OF \$437,714.99**
- D. UPDATED PERSONNEL POLICY 13.00 – WAGES SALARIES AND PAY DISPURSAL**
- E. APPROVAL OF EXECUTIVE DIRECTOR VACATION CASH OUT REQUEST**

COMMISSIONER FAIRES SECONDED THE MOTION, WHICH CARRIED UNANIMOUSLY.

PUBLIC COMMENTS

There were no public comments.

DRY STORAGE FORKLIFT REPLACEMENT

Mr. McChesney reviewed that the Port is scheduled to replace the 2010 Hoist Neptune marine forklift used at the Dry Storage operation in 2019. He explained that the machine has had issues since it was delivered, incurring approximately \$92,000 in repairs, and multiple components have failed multiple times. Many of the repairs are unusual for a machine of this age and hours and include cracked/broken rims, computer failure and multiple joystick failures. Just today, it experienced another rim and wheel stud failure. He referred to a summary of the Hoist repairs that have been done to date, not including the current situation, which was attached to the Staff Report.

Mr. McChesney advised that staff has researched Wiggins, Hoist/Toyota, and Marine Travelift forklifts. After reviewing the specifications, Port staff is requesting approval of Sole Sourcing the Wiggins Marina Bull forklift. He explained that the Port is not interested in purchasing another Hoist/Toyota forklift. Staff recently visited Everett Bayside Marina to test drive and review their current Wiggins machine and found that it would meet all of the Port's needs. He emphasized that the Port requires certain safety features that are unique to the Wiggins Marina Bull:

1. The StabiLift System prevents the operator from lifting a boat that is beyond the capacity of the forklift and provides warning if the operator needs to stay in first gear due to the weight of the boat. It is not possible to judge the weight of the boat and its water, fuel and accessories just by looking at it, so this will allow staff to safely pick up boats.
2. The Safe Carry Height shows when the mast is at the lowest height. The forklift needs to be able to deliver to and receive boats from the public launch. The Safe Carry Features will significantly reduce the possibility of the forklift mast hitting the public launch, causing damage to the structure.
3. The High Stability feature increases stability factors as the lift height increase, which is critical to maintaining control while racking boats on high racks.
4. The StabiLock Steer Axle System inhibits the forklift motion and helps to bring the mast back to center safely when the drive wheels pass over uneven ground, such as a drainage grate.
5. The Locking Counterbalance Valves prevent unplanned movement in the event of a hydraulic hose failure, provide, better slow movement control and provide a safe and simple procedure for slowly lowering the forks down in case of power loss.

Mr. McChesney advised that the Port Attorney has reviewed and approved the Sole Source Justification documentation, and Port staff has negotiated the payment terms to meet government purchasing requirements. Again, he said the new forklift was included in the 2019 budget with an estimated cost of \$300,000. The actual cost of the Wiggins forklift will be about \$360,000, and the proposed contract would not exceed \$365,000. He advised that Wiggins will not begin to construct the machine until they receive a down payment of \$95,188.20 from the Port.

Mr. McChesney recommended the Commission approve the Sole Source Justification documentation, authorize staff to move forward with purchasing a custom Wiggins Marina Bull as per the attached specifications, and authorize staff to initiate a wire transfer of \$95,188.20 as a down payment with the order. He summarized that staff believes there is no point in trying to keep the current Hoist/Toyota machine operational. Staff needs a reliable machine to service customers and get their work done in a safe manner.

Commissioner Preston asked when the new machine would be delivered. Mr. McChesney answered that the lead time is three months, and they are hoping to have the new machine in place before the busy season starts.

Mr. McChesney recalled Commissioner Preston's suggestion at the retreat that staff should find some way to cover the new forklift until the storage shed can be built to house the machine. He said staff would research this idea and come up with an effective interim solution.

Mr. McChesney commented that the Port has had trouble with the current Hoist/Toyota forklift since it was delivered. He recalled that the Port was convinced to accept delivery of the machine based on an additional two-year maintenance

warranty that was offered by the company. He strongly recommends that the machine be replaced as proposed for the purposes of safety, reliability, and customer service.

Commissioner Faires said the Sole Source appears to make sense as presented, but there were two other potential sources available. He asked if the Port would have received competitive bids for a similar machine from these other two sources. Mr. McChesney responded that the Port would likely have received competitive bids from all three companies, but they already know they are not going to purchase another Hoist/Toyota machine. In addition, Travelift could not provide the same features that the Wiggins machine has. Also, staff test drove the Wiggins machine and talked about its features with representatives from Everett Bayside Marina. He explained that Everett Bayside Marina had a Hoist/Toyota machine just like the Port's and they finally gave up on it and replaced it with the Wiggins. From an industry standpoint, the Wiggins is a top-of-the-line machine.

Commissioner Faires asked if there is any justification for the statement that the bids would have been competitive. Mr. McChesney answered that the Sole Source documentation that was presented as part of the Staff Report meets the requirements of the Sole Source Checklist and answers the question of why the Port did not go out to competitive bid. Commissioner Faires stressed the importance of making sure they are open with the public and can justify whatever is necessary for the Sold Source approach, and Mr. McChesney said he was confident the documentation is sufficient for that purpose.

COMMISSIONER HARRIS MOVED THAT THE COMMISSION APPROVE THE SOLE SOURCE JUSTIFICATION FOR A WIGGINS MARINA BULL FORKLIFT AND AUTHORIZE STAFF TO PROCEED WITH PURCHASING A CUSTOM WIGGINS MARINA BULL FORKLIFT AS PER THE SPECIFICATIONS ATTACHED TO THE STAFF REPORT. SHE FURTHER MOVED THAT THE COMMISSION AUTHORIZE PORT STAFF TO INITIATE A WIRE TRANSFER OF \$95,188.20 AS A DOWN PAYMENT FOR THE ORDER. COMMISSIONER PRESTON SECONDED THE MOTION, WHICH CARRIED UNANIMOUSLY.

Mr. McChesney commented that it is likely that, at some point during the manufacturing process, the Facilities Maintenance Manager, Mr. Menard, will be sent to the factory in California to confirm that the machine is being manufactured to meet the Port's specifications.

Commissioner Faires asked about the depreciation schedule for the current Hoist/Toyota machine. Ms. Drennan said she doesn't know if the schedule was for a 7- or 10-year life, and there may be something to write off. At this point, she doesn't know how much the Port will receive when the machine is sold.

HARBOR SQUARE BUILDING 5 HVAC UNIT REPLACEMENT (CONTRACT NO. 2019-309)

Mr. McChesney recalled that the Commission was previously briefed on HVAC maintenance issues at Harbor Square and budgeted \$160,000 for HVAC replacement in 2019. There are 26 remaining units to replace at Harbor Square (18 at Building 2 and 8 at Building 5). Recently, a ducted furnace heating unit serving Building 5 failed and needs to be replaced. Staff obtained a bid from Municipal Research Service Center (MRSC) roster member D.K. Systems, Inc. for \$13,416 plus tax, which is under the threshold for competitive bidding. Staff will work with the contractor to minimize the disruption to tenants during installation, and substantial completion is expected by April 30th. He recommended the Commission authorize him to enter into a contract with D.K. Systems, Inc. in the amount of \$13,416 plus sales tax for the base bid as outlined in the Staff Report.

Mr. McChesney summarized that, because of time constraints, staff is only proposing to replace this one unit at this time. He anticipates that additional units will be replaced at the end of summer or fall.

COMMISSIONER JOHNSTON MOVED THAT THE COMMISSION AUTHORIZE THE EXECUTIVE DIRECTOR TO ENTER INTO A CONTRACT WITH D.K. SYSTEMS, INC. IN THE AMOUNT OF \$13,415 PLUS SALES TAX FOR THE BASE BID FOR THE 170 W DAYTON BUILDING 5 HEATING UNIT REPLACEMENT CONTRACT NO. 2019-309. COMMISSIONER FAIRES SECONDED THE MOTION, WHICH CARRIED UNANIMOUSLY.

2018 MARKETING REVIEW

Ms. Williams reminded the Commission that the Port's marketing approach is dictated by two documents: the Marketing Plan and the Communications Plan. Both of these plans revolve around the Port's Mission Statement that includes economic development, public benefit, tourism, environmental stewardship and marina operations and property management. The Port's current marketing approach involves partnerships, community events, customer service, special projects and programs, promotions and communications.

Ms. Williams reported on the following 2018 Travelift and Boatyard promotions:

- During the **Roll Back the Clock Promotion**, rates for sling time and haul outs were setback at the 2008 level. This offer was promoted at the Seattle Boat Show. Of the 42 people who took advantage of the promotion, 16 were tenants.
- The **March on In Promotion** was geared towards tenants and offered 50% off Travelift service. Fifty-seven tenants took advantage of this tenant reward and spent a total of 194 days in the Boatyard. Commissioner Preston asked how many of these tenants would have used the Travelift and Boatyard anyway, and Ms. Kempf estimated about half would have. She advised that this promotion is very popular with the tenants.
- The **Foulweather/Fast Bottom Promotion** was geared towards participants in the Foulweather Bluff event and offered half price sling and wash. Seven participants took advantage of this promotion.
- The **Travelift Promotion** was offered in November and December to take advantage of the shoulder season. It offered a 20% discount for the Travelift plus a progressive discount in the Boatyard. Forty-five people took advantage of this promotion and 30 of them were tenants.

Ms. Williams advised that the Port offered a new **Pay-Per-Move Service** in 2018 in an effort to combat the seasonal dry storage customers who want to move their boats out during the winter months. It also served as an opportunity for the Port to offer a type of moorage that was more economical. The cost was only \$130 per month plus \$25 for each move. The service started in May and two people took advantage of it. She foresees it gaining popularity as it is promoted at the next boat show.

Ms. Williams reviewed that the Port used a variety of communication tools that had different functions. The goal was to communicate with people who already know about the Port (tenants) via newsletters, emails, and face-to-face service and to communicate with people who do not know a lot about the Port via a public mailer, press releases and columns in *THE EDMONDS BEACON* and *MY EDMONDS NEWS*. She shared examples of the public mailer that was sent out to more than 26,000 people and received a lot of positive feedback. She also shared examples of press releases and monthly newsletters. She advised that social media is a big part of the Port's communication's program, and the Port now has more than 380 followers. Their top post reached more than 2,000 people and had 98 engagements, and their top event reached 240,000 people and generated 12,100 responses.

Ms. Williams advised that the Port's advertising effort focused on both the marina and tourism and included advertisements in a variety of publications such as the Waggoner Cruising Guide, Northwest Boat Travel, Snohomish County Tourism Guide, Edmonds Business Directory, and *THE EDMONDS BEACON* and *MY EDMONDS NEWS*. The advertising budget for 2018 was \$8,910 and the actual amount spent was \$7,148. The disparity was related to negotiated changes in the format and choosing different advertisements. Almost all of the advertising had a digital component, as well.

Ms. Williams commented that partnerships are often overlooked, but they are a big part of public relations and marketing. Efforts in 2018 included:

- The Port provided meeting space for the Edmonds Chamber of Commerce meetings. She represents the Port on the Chamber Board, and she has volunteered at a number of their events, as well.

- She also worked on a number of projects with Patrick Doherty, City of Edmonds Economic Development Director, including serving on the Arts Designation Committee that was put together to apply for the Certified Creative District. They were excited when Edmonds was chosen as the first city to receive the designation. In addition, both she and Mr. McChesney participated on the Tourism Committee that Mr. Doherty put together to talk about rebranding and what each entity can do to help promote tourism in Edmonds.
- The Snohomish County Tourism Bureau recently completed a rebranding project. Instead of advertising Snohomish County, they are advertising “Seattle NorthCountry.” About a year ago, she participated on a group that selected the marketing company that did the complete rebranding plan. She explained that people do not search for counties to visit, and using the brand, “Seattle NorthCountry” makes it clear where Snohomish County is located. The marketing plan divides the county into five areas, with Edmonds being in the “Coastal Community.” She was invited to participate on a stakeholder’s group that represents the Coastal Community area and the next phase is creating branding for each of the individual communities. In addition, Mr. McChesney is a member of the Snohomish County Tourism Bureau Board.
- In early 2018, she participated on a group that went to Olympia to advocate for a tourism department at the State level. Washington was the only state that did not have its own tourism agency. After meeting with a number of local representatives, Bill E4SSB 5251 was passed this year to establish a Tourism Department.
- The Port’s 2017 and 2018 Destination Port of Edmonds Program wrapped up at the end of last year, and staff is working on the 2019-2020 program. A big part of the effort is about connecting overnight visitors with the wonderful businesses in Downtown Edmonds. About 475 bags were distributed in 2018, and they contained books with discount offers from local restaurants and stores. The cost for the 2-year program was \$10,686, which includes the offset of \$6,735 from Anthony’s (tote bags) and paid advertising in the books. Commissioner Orvis observed that the Port has been doing the Destination Port of Edmonds Program for a number of years, and it is being copied at other marinas.
- The Port of Edmonds, in conjunction with the City of Edmonds, received a tourism grant from the Port of Seattle, and Phase 2 of the project was completed last spring when the video that was made as part of Phase 1 was used in a Facebook campaign aimed at Denver, CO travelers. The purpose of the project was to promote local whale watching, the Port of Edmonds, and the City of Edmonds as a tourist destination. A final report was presented to the Port of Seattle last year.
- The Port participated in the Seattle Boat Show, where the Port’s 70th anniversary was celebrated with attendees. The boat show promotion offered 1st and 12th month rates of \$20.18. Thirty people signed up as new tenants during boat show promotion, and 18 of them remained at the Port at the end of 2018 (1 in dry storage and 17 in water moorage). There were two drawings at the boat show one for all attendees and another for tenants only. There were 169 entries, and 53 of them signed up to receive the Port’s newsletter. Commissioner Preston asked if it would be possible to send out just one email to those who entered the drawings asking them if they want to receive information from the Port in the future. Ms. Williams advised that, although the entries included email addresses, the Port advised that they would only be used to contact the winners. Prior to the boat show, staff reached out to brokers advising them of all the Port has to offer and asking them to pass the information on to people who purchase boats.
- Puget Sound Express christened their new boat, the Saratoga, on April 25th. The Port presented the Hanke family with a plaque and a celebratory bottle of champagne. City officers were invited and many participated in a mini cruise.
- There were two marina clean up dives, one in the spring in conjunction with the Port’s environmental campaign and another in the summer.
- The Port sponsored an on-line 30-day challenge to refuse single-use plastic. The idea was tied to the Port’s work as a marina because the plastic ends up affecting marine life and ocean waters. The Port worked with Annie Crawley to release a calendar of ideas that were shared on line and by environmental groups, as well.

Rather than just being an awareness campaign, the idea was to provide tangible ideas to incorporate into everyday life via “tips of the day.”

- The Port participated in the Edmonds Arts Festival in June. The goal was to have an information booth to talk with constituents as they walked by. She and Mr. McChesney worked in the booth and had some good conversations. They passed out cards to let people know what was happening at the Port during the summer. They plan to repeat the event in 2019.
- The 7th Annual Sea Jazz events took place on Wednesday evenings and Sunday afternoons throughout the summer at the public plaza, and a variety of local schools participated.
- On August 4th, the Port held a community event to celebrate its 70th Anniversary. This fun event allowed the community to enjoy the Port facilities.
- The Foulweather Bluff Race took place at the Port in 2018, and Port staff worked hard to get all of the participants into Guest Moorage. The Coho Derby also took place at the marina in 2018. In addition to accommodating the Rotary Club’s Waterfront Festival, the Port co-sponsored and had a booth at the Edmonds Chamber’s Blues Brats and Brews event that was held at the Edmonds Yacht Club. Port staff also participated in the City’s Scarecrow Festival and helped to sponsor the Puget Sound Birdfest. The Edmonds Yacht Club held its annual Holiday on the Docks event at Guest Moorage during the holidays, and the Port provided hot cider, cookies and music during the Argosy Christmas Ship visit on December 12th. This was a great way to feature Holiday on the Docks and bring more people down to see the boats that were decorated. Port staff sponsored a holiday food drive from November 15th to December 15th and collected a total of 362 pounds of food.

Commissioner Preston asked if the Port staff is planning to do a summer event again in 2019, and Ms. Williams answered they are planning a summer event on June 1st, and more information will follow. She reminded them that there would not be a Waterfront Festival in 2019, and the idea is for the Port to sponsor a small event during that same time frame. The Port has a long-standing relationship with the Classic Yacht Club, and they want to give them a reason to come to the marina even though the Waterfront Festival will not take place.

Commissioner Orvis commented that a lot of good activities took place at the Port in 2018. It was good to see that, with a little effort, the Port can put on nice events for the public. People already visit the marina on a regular basis, and all the Port really needs to do is provide events to focus their interest.

Commissioner Preston suggested that the Port continue the 30-day challenge in 2019 with a different focus. Ms. Williams said the plan is to do something similar in the spring, and details will be provided at a later time.

PRELIMINARY 2018 ANNUAL REPORT

Ms. Drennan presented the preliminary 2018 Annual Report, noting that all major transactions that staff is aware of have been recorded. Over the next few months, staff will prepare the Final 2018 Annual Report in the Budgeting, Accounting and Reporting System (BARS) format. Occasionally during this process, staff finds other transactions that need to be recorded. Staff will notify the Commission of any changes when the final report is presented.

Ms. Drennan advised that both revenues and expenses are trending upwards. Net income has also trended upwards over the past five years. Actual revenues exceeded the budgeted revenues and actual expenses were slightly lower than budget. Gross profit for the 12-month period ending December 31st was \$8,026,325, which is \$566,825 or 7.6% greater than budget. Net income for the same period was \$2,565,990. She highlighted the following:

Marina Operations Revenue

- Fuel sales revenue was about \$243,000, which was about \$47,000 or 24% greater than budget.
- Launcher revenue was about \$98,000, which was about \$22,000 or 29% greater than budget.
- Permanent moorage revenue was about \$3,470,000, which was about \$143,000 or 4.% greater than budget.
- Dry storage revenue was about \$701,000, which was about \$52,000 or about 8.% greater than budget.

- Parking revenue was about \$92,000, which was about \$34,000 or 59% greater than budget. This increase was related to the additional commuter parking spaces that were not in the budget.
- Permanent moorage occupancy was 98% compared to a budget of 95%. Dry storage occupancy was 88% compared to a budget of 82%.

Rental Properties Revenue

- Harbor Square Property revenue was about \$2.1 million, which was about 124,000 or 6% greater than budget.
- Landing revenue was about \$125,000, which was about \$16,000 or about 14% greater than budget.
- Operating expenses before depreciation for the 12-month period were \$5,754,330, which was approximately \$728,000 or 11% less than budget.

Operating Expenses

- Other cost of Goods Sold was about \$65,000, which was about \$60,000 or 48% less than budget. The budget was an estimation of credit card fees when the Port started accepting credit cards. It may increase as more people hear about the program.
- Employee benefit expenses were \$669,000, which was \$125,000 or about 16% less than budget.
- GASB 68 and OPEB expenses were combined into employee benefits in previous years but listed separately in 2018. It is important to see that the GASB number is negative this year. As these are not controlled by the Port, I listed them separately.
- Repair and maintenance expenses were about \$190,000, which was about \$288,000 or 60% less than budget.
- Supplies expenses were about \$222,000, which was about \$31,000 or 12% less than budget.
- Utilities expenses were about \$386,000, which was about \$36,000 or 9.% less than budget.
- Depreciation was \$1,519,000, which was about \$45,000 or 3% less than budget.

Non-Operating Items

- Interest income was \$239,000, which was \$113,000 or about 90% greater than budget. This is due to rising interest rates.
- There was a net loss on fixed assets of \$311,000 due to adjustments in the assets that were completed in 2018.
- Net income for the 12-months ending December 31st was \$2,566,000, which was \$1,120,000 or 78% greater than budget. The primary reasons for this difference are:
 1. Marina gross profit exceeded budget by about \$416,000.
 2. Rental property revenues exceeded budget by about \$151,000.
 3. Operating expenses were about \$727,000 less than budget.
 4. Net other expenses (income) were approximately \$174,000 greater than budget.

Ms. Drennan advised that marina actuals to budget are similar to the overall revenues and expenses, with both revenues and expenses slowly increasing. Net income has also increased over the past five years. Highlights include:

- Operating revenues were at \$6,371,000, which was \$674,000 or about 12% greater than budget.
- Operating expenses before depreciation and overhead were \$2,381,000, which was \$172,000 or about 7% less than budget.
- Net income was \$1,255,000, which was \$760,000 or about 154% greater than budget.

When comparing rental property actual to budget, Ms. Drennan advised that revenues are trending upwards. Net income has continued to grow. Some select figures include:

- Operating revenues were at \$2,731,000, which was \$151,000 or about 6% greater than budget.
- Operating expenses before depreciation and overhead were \$547,000 or about 24% less than budget.
- Net income was \$1,311,000, which was \$361,000 or about 38% greater than budget.

Ms. Drennan referred to the Balance Sheet, reminding the Commission that the Port has been reporting other post-employment benefits. GASB 75 is a new requirement intended to make things more transparent. Prior to 2018, the Port had an OPEB liability on its balance sheet. GASB Statement Number 75 increased the liability from \$715,353 in 2017 to \$1,079,896 in 2018. The balance sheet will now show a Deferred OPEB Outflow and an OPEB Liability.

Ms. Drennan advised that the Port's 2018 Capital Budget was \$431,500, and actual purchases were \$629,036. Details are provided on the spreadsheet attached to the Staff Report.

Ms. Drennan reviewed that Investing Summary, highlighting the following:

- Port has 17 long-term investments, with the first maturing in February 2019.
- Two \$250,000 bonds matured in November 2018, and the Port held a Federal Farm Credit Bank bond for 4 years with a yield of 1.387% during that time. Interest on liquid funds ranged from .09% to 2.42% during this same time period. The Port held a FICO STRIP bond for 7 months with a yield of 1.95%. Interest ranged from 1.5% to 2.42% during this time, as well. Overall, the Port's investments performed better than liquid funds.
- In November, the Port purchased a \$500,000 Federal Farm Credit Bank bond with a coupon of 3.17% and final maturity of 8/28/23. Commissioner Faires asked if this bond has a call date, and Ms. Drennan said she didn't know off the top of her head.
- In December, the Port purchased a RFSCP STRIP bond, which pays all interest at maturity. The Port paid \$500,634 and will receive \$530,000 upon maturity on January 15, 2021. The Port also purchased a \$500,000 Federal National Mortgage Association bond with a coupon of 2.375% and final maturity of 1/19/23.
- In 2018, the Port earned interest of \$239,242, which is 90% greater than the 2017 interest income.
- The Capital Replacement Reserve is currently \$8,528,596, with a part of the reserve in liquid funds and part invested long term.
- The Port has about \$1.6 million remaining in outstanding debt, and \$1,365,602 is due within one year.

Commissioner Preston asked what the Port could do to increase the Capital Replacement Reserve and decrease the outstanding debt. Ms. Drennan said the plan is to follow the current payment schedule. The money that goes into the reserve each year is the amount of cash the Port had at the end of the year. She said she hasn't calculated the 2018 cash increase yet, but she pulls the number from the Cash Flow Statement, which is actuals. She noted that the last payment on the Harbor Square loan will be January 1, 2020.

EXECUTIVE DIRECTOR'S REPORT

Mr. McChesney reminded the Commission that he was invited to participate on the Sound Transit Interagency Group to analyze access and parking issues in Edmonds and Mukilteo. Sound Transit has about \$40 million to spend between these two locations, and they are in the exploratory phase now. No decisions have been made about how the money will be spent. He said the group did a walk-through at the Port to view the north parking lot and consider the idea of building a new parking structure. However, there have been no recommendations in that regard. He commented that there are not a lot of good alternatives to solve Sound Transit's parking problems. Rather than increasing capacity to solve their current parking limits, Sound Transit's goal for Edmonds is to increase ridership by improving access and parking. Everything Sound Transit does has to be framed around the goal of increasing ridership.

Commissioner Faires asked if there has been any discussion about the potential of building a parking structure across the street from the north parking lot on the old Safeway property. Mr. McChesney responded that this parking lot is already leased to Sound Transit and is currently for sale for \$18 million. He does not believe Sound Transit considers this to be a reasonable alternative at this stage. He expressed his belief that the Port's lot is not really suitable for a parking structure for Sound Transit. While Sound Transit would likely lease the entire structure and the Port would receive a significant amount of revenue, it would create more parking problems for the Port. At this time, he is not marketing the property to Sound Transit, but he felt it was important to include it as one potential alternative. He reminded the Commission that the size of the north parking lot was reduced when Jacobsen's Marine relocated to the Port of Edmonds. He said he is not sure how much partnership there will be between the City, the Port and Sound Transit, but a representative from the City is also participating on the interagency group.

Commissioner Faires agreed that Sound Transit would likely lease the entire parking garage if the Port were to construct it, but the parking issue is much bigger. In addition to Sound Transit's needs, the Port will need to provide adequate parking for its operations, and the parking needs associated with the new community center will also need to be addressed. In addition, Burlington Northern Santa Fe will likely install the second track in the near future.

Commissioner Preston asked how many parking spaces are currently available in the north lot, and Mr. McChesney answered about 130. He noted that 26 spaces are currently leased to Arnies, 27 to commuters and the Edmonds Yacht Club is entitled to 25 spaces, as well. Commissioner Preston pointed out that a parking structure would likely only accommodate 170 to 180 spaces, which is not significantly more than what is currently available on the ground. Mr. McChesney advised that a detailed feasibility study would be needed to identify the exact number of spaces that could be created in a parking structure, but it is important to keep in mind that the structure, itself, would take up a lot of space, and at least three decks would be needed to get enough scale. Even then, he is not sure they would end up with substantially more parking than what is currently available on the lot.

Commissioner Faires suggested that the Port find someone who understands the issue to help the Port gain a basic understanding of the site's potential as a parking structure without having to hire a costly consultant. Mr. McChesney said he has had conversations with Phil Lovell, former Vice President and Operations Manager of Turner Construction's northwest region, and he has been very generous and gracious about providing advice relative to the issue.

COMMISSIONER'S COMMENTS AND COMMITTEE REPORTS

Commissioner Faires recalled the retreat discussion relative to the pilot program to test a variety of products against Round Up. At the retreat, the Commission decided that there was no need to include Round Up in the test because it has been used by the Port for several years and they know what it does. After further consideration, he now feels it would be appropriate to include Round Up in the test. Although he doesn't think he wants the Port to continue to use Round Up, he wants to know the effectiveness of the alternatives compared to Round Up so that they have a clear understanding of the differences.

Mr. McChesney reported that the Environmental Committee met subsequent to the retreat to discuss the test program further. They recommended against including Round Up in the test program because the product has been used for years and there is already a baseline established. The intent of the pilot study is to compare the alternatives. Again, Commissioner Faires said he would like Round Up to be included in the study because he would like to know how effective, more or less, the other alternatives are.

If the Port's intent is to move away from Round Up, Commissioner Harris questioned why they would want to include Round Up as one of the alternatives tested. Commissioner Preston expressed his belief that Round Up has been used long enough that staff already has all the information needed to establish a baseline to compare it to the other alternatives.

Commissioner Faires commented that eliminating Round Up may be a political decision in that Round Up is, by definition, bad in the public perspective. While he doesn't mind saying they are going to discontinue its use, he would like to know how much of the alternative products will be needed to do the same thing.

Ms. Kempf recalled that when the Environmental Committee met to discuss the issue, they agreed that two areas of the existing environmental policy needed to be changed. One was in the area of the pilot study and chemical use and the other was on climate change. This last week, she pulled together the changes she felt the committee agreed upon and she is currently working on the climate change piece. She plans to present her conclusions at the next Commission meeting. Her understanding is the Commissioners want to remove Round Up from the pilot study for 2019.

Commissioner Faires observed that, over the last year, the Port has become more visible to the community. From an environmental standpoint, he learned during his recent campaign that the subjects related to the environment are very important to the constituents, and the steps the Port has taken and continues to take involve the concerns of the constituents more than ever before. He commented that the Port's participation in the Edmonds Arts Festival, as well as the 70th Anniversary event were steps in the right direction. The Waterfront Festival was less about the Port and more of a Rotary Club event, and the Port may want to figure out how to replace it with a Port-related activity. He recalled that the subject of how to bring tourists across the water was discussed at the retreat, and he agreed to raise the issue at the next Edmonds Economic Development Commission Meeting to solicit their ideas. Now that there is a concrete example of whale watching, which is a community tourism draw, they can make more sense out of the question of how to bring more people to the waterfront and community.

Commissioner Faires commended Ms. Williams for her good work relative to marketing and communicating with the public and tenants. Commissioner Preston concurred.

Commissioner Preston announced that he would meet on March 12th with a Commissioner from the Port of Kingston to talk about a potential joint event.

Commissioner Preston referred to a recent article regarding recycling, which raises the concern that many of the materials that are collected for recycling are actually going to the landfill. This is true for the recyclable materials that are collected at the two sports stadiums in Seattle. He suggested the Port should keep this in mind as it looks at revamping its recycling program. Perhaps the better approach would be to encourage the concept of refusing and/or reducing the use of these materials. He noted the horrific amount of plastic that is used to package consumer products. Rather than focusing on recycling, it would be better to focus on reducing or refusing plastics to begin with.

Commissioner Preston reported that he and Commissioner Orvis attended Mayor Earling's State of the City address.

Commissioner Johnston congratulated both Ms. Williams and Ms. Drennan for their great presentations on the marketing program and financial report. Both are heading in the right direction.

Commissioner Johnston reported that he attended the Environmental Committee meeting on February 28th, and the results of the meeting were previously discussed. He also attended Puget Sound Partnership's legislative briefing on February 13th where the general consensus from the Washington Public Port Association (WPPA) and the environmental community is that the legislation moving through the process now has the potential to address the orca situation and salmon recovery. The WPPA does not think there will be any negative impacts to ports.

Commissioner Johnston advised that he attended the first meeting of the Southern Resident Killer Whale Task Force as the WPPA's representative. The focus now is on the next steps to implement the recommendations that were made to the governor.

Commissioner Johnston announced that he would attend the Economic Alliance of Snohomish County's update meeting on March 20th. He said he was also contacted by two candidates for public office who would like to meet with him to talk about the Port of Edmonds and how they might work better with the City.

Commissioner Orvis said he also attended Mayor Earling's State of the City address and felt the Mayor did an excellent job. He recalled the state of the City when Mayor Earling was elected to the position as opposed to what it is now. He has done a terrific job.

Commissioner Orvis reported that Puget Sound Express' reception aboard the Saratoga was well done, and he anticipates they will have an extraordinary year.

Commissioner Orvis announced that he will attend the Economic Alliance of Snohomish County's Military Affairs Committee meeting. He will also attend the Puget Sound Regional Council's briefing at City Hall on March 12th at 4:00 p.m.

Commissioner Orvis reported that he would attend the WPPA's Legislative Affairs Committee on March 18th. He anticipates that Senator Hobb's transportation funding plan will be the focus of discussion. It is making its way through the legislature better than anticipated. It outlines an extraordinarily costly program and includes a carbon tax and other clean fuel programs. One interesting project included in the program is the completion of the Highway 12 expansion in Southeast Washington, which was an item of interest in the first campaign speech he heard from Governor Inslee nearly 8 year ago. It was going to be at the top of the docket.

Commissioner Orvis said he would also attend the Snohomish County Update in Everett on March 20th. He commented that one of the big weaknesses of the Arts Festival going forward is the lack of parking in Edmonds. Parking for the new community center is a real concern that has not yet been addressed, either.

Commissioner Orvis cautioned the Commissioners and staff to be careful what they say when talking about Round Up going forward. He pointed out that Round Up is currently in the courts in California, but there have not been any big findings. Environmental issues are very political in Edmonds rather than based on knowledge or facts. As the Commissioners get involved in discussions about the issue of Round Up, they need to know what they are talking about and have reliable background information to support their comments. At this time, many people are addressing the issue from an emotional standpoint rather than a knowledgeable standpoint. He said he would like to know more about the science behind Round Up and the other alternative products that will be used in the test program. He suspects that they are acceptable only because they haven't been "under the gun" yet.

Commissioner Orvis provided a legislative report, highlighting the following:

- The economy is slowing down, but it is expected to stay good in Washington. A report on Washington State's economy will be released in about two weeks.
- Legislation related to development of occupational training programs at ports is still fighting its way through the legislature.
- Local revitalization financing legislation, which meant potential funding for Port projects, is not going anywhere this year.
- The Port of Anacortes had to cancel a ground maintenance contract because the new prevailing wage law required them to pay the riding lawnmower operator \$59 per hour. Ms. Drennan said they just announced today that the Department of Labor and Industries is making changes to the landscaping prevailing wages and many of the landscape contracts will be rebid.
- The legislature hasn't shown any inclination to require the Department of Ecology to come up with a set of rules for how it determines the carbon footprint for various projects. The WPPA has reached an agreement in principle that they will come up with a work group to make recommendations relative to this issue.
- The requirement that a tugboat be put in the San Juans for oil tankers is not going anywhere because no one can anticipate whether or not Canada will pay for half the cost.
- The State will hopefully form an Aviation Coordinating Committee in the near future.
- The Public Works Contracting Bill (SB 5656 or HB 1359) would expand the public works contracting procedures by changing the design / build requirements.
- The low carbon fuel standard bill would result in a 10 to 12% increase in the cost of gasoline.

ADJOURNMENT

The Commission meeting was adjourned at 8:50 p.m.

Respectfully submitted,


Angela Harris
Port Commission Secretary 