



## PORT COMMISSION OF THE PORT OF EDMONDS

### MINUTES OF REGULAR MEETING

March 14, 2016

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#### COMMISSIONERS PRESENT

Bruce Faires, President  
Fred Gouge, Vice President  
Jim Orvis, Secretary  
Mary Lou Block  
David Preston

#### STAFF PRESENT

Bob McChesney, Executive Director  
Marla Kempf, Deputy Director  
Tina Drennan, Finance Manager

#### OTHERS PRESENT

Bradford Cattle, Port Attorney  
Karin Noyes, Recorder

#### CALL TO ORDER

Commission President Faires called the regular meeting to order at 6:00 p.m.

#### PLEDGE OF ALLEGIANCE

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

#### EXECUTIVE SESSION

Following the flag salute, the regular meeting was immediately adjourned to an Executive Session to discuss the review of a public official as per RCW 42.30.110(g), a legal claim the Port Commission may assert as per RCW 42.30.110(1)(i)(ii), and the sale or lease of Port property (real estate) as per RCW 42.30.110(1)(c). The Executive Session concluded at 6:50 p.m.. There were no announcements or actions to be taken based upon the discussion that occurred in the Executive Session.

#### REGULAR SESSION

Commissioner President Faires called the regular meeting back to order at 7:00 p.m.

#### PROCLAMATION HONORING THE SERVICE RENDERED BY MARY LOU BLOCK

Commissioner Faires read a letter from Mary Lou Block, which notified the Port that she would resign her position as Port Commissioner of the At Large Position Number 5 effective March 31, 2016. Although her resignation falls short of her term, she expressed her satisfaction for having served an excellent organization since 2002. She said it has been an honor and a pleasure to serve with the Commissioners to promote the interests of the Port District constituents. She noted that, during her terms as a Commissioner, she took particular satisfaction in the Port's receipt of the 2006 Marina of the Year Award, the establishment of the Recycling and Environmental Program, the construction of the original Weather Center, the remodel of the Public Plaza, and the development of the commercial whale watching activity. She thanked the Port staff for their excellent assistance and acknowledged the quality of the other Port Commissioners, commenting that she is leaving the Port in very capable hands.

Commissioner Faires read a proclamation to honor the service rendered to the citizens of the Edmonds Port District by Mary Lou Block from January 1, 2002 to March 14, 2016. The proclamation acknowledged her 14 years of

diligent service, specifically noting that she has served on the Port Planning and Auditing Committees and the Harbor Square Steering Committee. In addition to serving as the Port's liaison to the City of Edmonds, she also represented the Port on the UNOCAL Technical Committee, City Waterfront Plan Committee, Edmonds Crossing Committee, Washington Public Port Association (WPPA) Environmental Committee, WPPA Trustees Committee, and Puget Sound Regional Council. During her time on the Commission, she provided leadership in Port planning processes and environmental issues and worked continually and diligently to make the Port more responsive to the unique needs and requirements of the residents of the Port District. Via the proclamation, the Commissioners expressed their gratitude to Commissioner Block, and on behalf of the residents of the Port District, sincerely thanked her for her dedicated service to the community, the residents, and the tenants.

**Dave Earling, City of Edmonds Mayor**, said it has been his great pleasure to know Commissioner Block for a long period of time, first in the early 80s when she was the Planning Director for the City of Edmonds and they worked on a number of projects together, including the Main Street Project. It was emblematic back then that she was very interested in seeing the community move forward, and the City has come an enormous distance in many ways. Having someone with the status of Commissioner Block working with the Port Commission and the Port of Edmonds has enriched the community. He said he values her contributions and will look forward to communicating with her in the future.

Commissioner Gouge thanked Commissioner Block for her service to the community and commented that she has taught the Commissioners a lot. Commissioner Orvis commented that Commissioner Block has kept the Commission honest and ensured that their minutes and other documents were written correctly. He said she is often referred to as the "First Lady of the Port." He said he treasures his association with Commissioner Block and has learned a lot about the community from her vast reserve of knowledge. Commissioner Preston recalled attending a Puget Sound Regional Council (PSRC) Meeting with Commissioner Block. It seemed that everyone in attendance knew Commissioner Block from past experiences working with her in various capacities, and everyone seemed to be her friend. Commissioner Faires thanked Commissioner Block for her service and for her friendship.

Mr. McChesney commented that Commissioner Block has made a difference to everyone at the Port and in the community, and her legacy will be long lasting. He said he learned so much from her and appreciates everything she has done for him and the Port staff.

Commissioner Faires announced that Commissioner Block's resignation will become effective March 31, 2016. At a future meeting, the Commission will define a process to fill the open position by appointment, and the appointee will serve out Commissioner Block's term.

FOLLOWING UNANIMOUS ACCEPTANCE OF THE PROCLAMATION, THE MEETING WAS BRIEFLY RECESSED FOR A RECEPTION TO HONOR COMMISSIONER BLOCK. IT RECONVENED AT 7:27 P.M.

### **CONSENT AGENDA**

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

- A. APPROVAL OF AGENDA**
- B. APPROVAL OF MARCH 1, 2016 SPECIAL MEETING MINUTES**
- C. APPROVAL OF PAYMENTS IN THE AMOUNT OF \$113,006.85**

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

### **PUBLIC COMMENTS**

No one in the audience indicated a desire to address the Commission during this portion of the meeting.

#### **4<sup>TH</sup> QUARTER MARINA REPORT**

Ms. Kempf presented the 4<sup>th</sup> Quarter Marina Report, specifically noting that 2015 was an excellent year for the Port, which was clear from the Financial Reports that were previously presented at the March 1<sup>st</sup> retreat. She reported that activity at both the Public Launch and Guest Moorage was up. The number of boats in Guest Moorage was 3,352 and the number of nights was 5,200. The Fuel Dock also had a successful year, with a significant increase in the number of gallons sold (an increase of 27,000 of gasoline and 61,000 gallons of diesel). Activity at the Travelift and Boat Yard also increased, as stall usage, Travelift to yard, and sling time were all up in 2015.

Ms. Kempf reported that Water Moorage occupancy was at 97%, which is an improvement over the 95% and 96% numbers for the previous five years. Dry Storage occupancy was at 92% in 2015 compared with 89% in 2014. She reminded the Commission that because Dry Storage was full during the summer months, an additional space on the ground was added. She referred to Page 12 of the Report, which provides information about tenant reasons for termination. She summarized that 38% indicated they sold their vessels, about 34% were seasonal tenants, and about 12% changed marinas. She advised that the Waiting List increased from 54 names in 2014 to 98 names in 2015. It is important to note that the length-overall-measurements that were done in August caused 19 tenants to put their names on the waiting list for larger slips. However, the waiting list is still up by 25 names.

Ms. Kempf advised that insurance and registration numbers were down during the 4<sup>th</sup> Quarter of 2015. However, because insurance and registration documentation is required to obtain a parking permit, it is anticipated that the numbers have improved since parking permits were issued during the 1<sup>st</sup> quarter of 2016. She reviewed that the 2015 boat show promotions resulted in 75 signs ups, and 51% were still Port tenants at the end of 2015.

Commissioner Gouge pointed out that it is very likely there will be no 2016 season for Coho Salmon fishing, and this could have a significant impact on Port activity during September. He encouraged staff to keep a close eye on the situation. Ms. Kempf explained that she has talked with charter boat operators, asking them to keep her up-to-date on the situation and let her know if there is anything the Port can do. However, she acknowledged that there is not a lot the Port can do to affect the outcome and the fish closure could have a significant impact on the Public Launch, Guest Moorage, Fuel Dock, and seasonal staffing.

#### **4<sup>TH</sup> QUARTER HARBOR SQUARE REPORT**

**Jan Conner, Northwest Country Management**, presented the 4<sup>th</sup> Quarter Harbor Square Report, specifically noting that both occupancy and revenues were up at the end of 2015. Inquiries increased during the last quarter of 2015, and resulted in two new leases being written and one tenant who was on a month-to-month lease signed a long-term lease. Most of the tenants were on time with their rent payments, so there were no late notices. There were no tenant improvements, either. Conference revenue continues to drop. Typically, only the Board Room is rented out, which has no set up costs.

Ms. Conner reported that 4<sup>th</sup> Quarter projects included the annual sprinkler confidence testing and annual fire extinguisher service. There was one incident when a fire alarm went off at 120 West Dayton on December 27<sup>th</sup>. It was determined that a sprinkler compressor had lost pressure. Port staff responded and the sprinkler vendor was contacted for a service call.

Mr. McChesney commented that Ms. Conner is doing a great job with Harbor Square's management. He noted that some grounds keeping work will be done during the 2<sup>nd</sup> Quarter as the weather permits. In addition, improvements will go forward to dress up the corner of SR-104 and Dayton Street. Port staff will work with Ms. Conner to pull the project together, and the majority of work will be done in-house. He noted that they are contemplating modifications to the existing monument sign to include the Port's name and logo, as well.

Commissioner Gouge commented that Harbor Square does not have the unique business space that is desired in the commercial market. Ms. Conner said there has been a fair amount of activity in the 1<sup>st</sup> Quarter of 2016, and she is hoping to have the warehouse space leased shortly, as well as some space in Building 1. She also noted that Channel Marker is now paying rent, which will add additional revenue.

## **RATE SCHEDULE CHANGE FOR FISH BUYERS FEES**

Mr. McChesney recalled that the Commission discussed potential rate schedule changes for fish buyers fees at a previous meeting, and most recently at the March 1<sup>st</sup> Retreat. The Commission directed staff to collect more information, observe how the operations work, and come back to the Commission with a recommendation for how the Port could better manage the activity. He reported that staff has done a great job building relationships with the operators.

Ms. Kempf reviewed that the Guest Moorage areas have been utilized by commercial catch boats off and on through the years, and the Port's Rules and Regulations have guidelines for both Guest Moorage use and commercial catch boats. As per the regulations, commercial catch boats are allowed to touch and go free of charge if under four hours, and the Port may direct catch boats to a different moorage area to consolidate activities and appropriately facilitate a mix of operations. Moorage for the sale of fish must be arranged in advance and is limited to space available as designated by the Port for both gear drops and/or seafood sales. Commercial catch boat personnel are allowed to sell their product to licensed, legitimate buyers while on Port property, but no fishing vessel or its personnel are allowed to sell product to the public, advertise as such, or set up retail operations. Commercial enterprises and their personnel are subject to following all of the Port's rules and regulations, including, but not limited to, keeping the area in and around the assigned space clean, sanitary and free from debris and clutter.

Ms. Kempf reported that the Port saw a marked increase in commercial catch boats during the 1<sup>st</sup> Quarter of 2015, and the total number of guest boats in guest moorage increased by 169% compared to 1<sup>st</sup> quarter 2014 or 215 more boats. The number of nights increased by 143% or 319 more nights stayed. There has been a constant tribal presence again in the 1<sup>st</sup> Quarter of 2016 due to increased fish openings for the tribes. The Port recently put procedures in place to assist with managing the activity (Section 18.2), and the Commission approved a \$0.15 per pound fee for fish buyers during the 2015 budget process. Since that time, Port staff has continued to gather information, and the \$0.15 fee has not yet been implemented. Now that staff has a better understanding of the needs, they are proposing that the \$0.15 per pound fee be changed to a flat fee of \$200 per truck per day. Based upon the data collected over the past six months, staff estimates that this fee will adequately compensate the Port for use of the facilities and services by buyers who are conducting for-profit business on Port property.

Ms. Kempf summarized that based on the geoduck and crab fisheries activities during the 1<sup>st</sup> Quarter, an estimated \$7,000 to \$10,000 in annual revenue will come from the Fish Buyer Facility and Services Fees, as long as the operators continue to use Port facilities. The proposed fee aligns with the Port's mission to be fiscally sound, provide quality services, promote economic development and ensure the waterfront is a vibrant, active centerpiece for the Edmonds and Woodway communities. She recommended that the Commission authorize a change in the rate schedule for the Fish Buyer Facility and Services Fee from \$0.15 per pound of product purchased to a flat fee of \$200 per truck. The fee will be assessed effective April 1, 2016 following written communication to the individual buyers informing them of the new procedures. Those businesses who do not comply with the Port's rules and regulations may be prohibited from conducting business on Port property.

Commissioner Preston recalled that a few years ago the Edmonds Arts Festival changed to a booth fee versus a percentage of sales. Revenues actually increased and the number of hours required to administer the fee was reduced. He expressed his belief that the simplified fee, as proposed by staff, would be clearer for everyone. Mr. McChesney agreed and noted that it is typical in the port industry to charge a facility and service fee. To date, the Port has not done so. Commissioner Faires emphasized that the intent of the proposed fee is to allow the Port to recover costs related to the activity. It is not intended to be a money-making fee.

**COMMISSIONER GOUGE MOVED THAT THE COMMISSION REPLACE THE \$0.15 PER POUND OF PRODUCT PURCHASED ON THE 2016 MARINA OPERATIONS FEES WITH A FLAT FEE OF \$200.00 PER TRUCK PER DAY FOR FISH BUYERS WHO UTILIZE PORT OF EDMONDS FACILITIES AND SERVICES DURING FISH OPENINGS. COMMISSIONER ORVIS SECONDED THE MOTION, WHICH CARRIED UNANIMOUSLY.**

## EXECUTIVE DIRECTOR'S REPORT

Mr. McChesney reported that he and Commissioner Preston met with the Sea Scouts, who now have good direction to move forward, including getting the ship back on an even keel. He also reported that he has had preliminary discussions with Seth Muir from Salish Sea Expeditions regarding a pilot program for youth at the Port of Edmonds. He and Ms. Kempf will meet further again with Mr. Muir on March 16<sup>th</sup>.

Mr. McChesney advised that Snohomish County PUD was scheduled to energize the new restroom facilities on March 11<sup>th</sup>, but they had to postpone the job at the last minute because of storms. He does not anticipate that the work will get done until at least next week. He summarized that they continue to make progress on the two facilities, which are very close to completion.

## COMMISSION COMMENTS AND COMMITTEE REPORTS

Commissioner Gouge announced that he would attend the March 15<sup>th</sup> Edmonds City Council Meeting, which will include a public hearing on the Critical Areas Ordinance. He thanked Commissioner Block for her guidance relative to this issue.

Commissioner Orvis provided a brief legislative report, announcing that Governor Inslee has called a special session. He also reported on the following:

- The Transportation Budget has been agreed to, and the Washington Public Port Association (WPPA) and others have tried to empower the Freight Mobility Strategic Investment Board to be able to sequester federal funds to be used in a coordinated program that benefits the entire state rather than frittering it away on local street maintenance. One of the biggest difficulties they have is that so many of the boards in the state are staffed or controlled by representatives of local governments. Instead of big programs that move freight over significant distances, we are doing minor projects in a lot of little communities that do not benefit the state as a whole.
- Fines for violation of the Open Public Meetings Act have gone from \$100 to \$500 for the first violation and \$1,000 for the second violation. The fine applies to elected officials who knowingly violate the act, but the Legislators have exempted themselves.

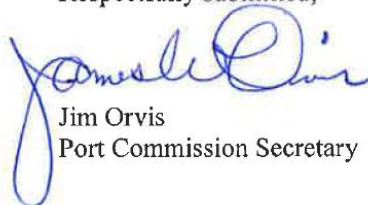
Commissioner Preston reported that he recently met with Edmonds City Council President Johnson, and the discussion centered around the history of Edmonds. He noted that both of them attended Edmonds High School. He also reported that he and Mr. McChesney met with the Sea Scouts. He is also scheduled to meet with a representative from the Mount Baker Council and Jeremy Makin, Edmonds Sea Scout Skipper, on March 16<sup>th</sup> to follow up on the issues that were discussed previously. Lastly, he announced that he would attend the March 15<sup>th</sup> Edmonds City Council Meeting, as well.

Commissioner Faires announced that the Edmonds Citizens Economic Development Commission has been reconstituted by the City Council, with nine members. Representatives from the Port, Planning Board and City Council have been invited to participate as non-voting members. He expressed his belief that it is in the Port's best interest to be involved in all economic development activities in the community. He indicated he would attend the meetings as the Port representative and report items of interest to the Commissioners.

## ADJOURNMENT

The Commission meeting was adjourned at 8:01 p.m.

Respectfully submitted,



Jim Orvis  
Port Commission Secretary