



PORT COMMISSION OF THE PORT OF EDMONDS

MINUTES OF SPECIAL MEETING

October 12, 2015

COMMISSIONERS PRESENT

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

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 Preston called the special meeting to order at 7:30 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 SEPTEMBER 28, 2015 MEETING MINUTES**
- C. APPROVAL OF PAYMENTS IN THE AMOUNT OF \$434,679.49**

COMMISSIONER GOUGE SECONDED THE MOTION, WHICH CARRIED UNANIMOUSLY.

PUBLIC COMMENTS

There were no comments from the public.

2016 PRELIMINARY BUDGET

Ms. Drennan presented the 2016 Preliminary Budget, which staff has been working on since August. It was reviewed by the Finance Committee on September 30th, and their recommended changes were incorporated. She referred to the Staff Report, which includes the following budget documents: Combined Operating Budget, Marina Operating Budget, Rental Properties Operating Budget, Overhead Operating Budget, Capital Budget, Projected Cash Flow Schedule, Moorage and Dry Storage Rates, Employee Pay Table and Marina Operations Fees. She reviewed each of the documents and invited the Commissioners to comment.

Combined Operating Budget

Ms. Drennan said the graphs on Page 3 of the budget packet illustrate the 2016 projected revenues (rental property, property taxes, marina, and miscellaneous) and expenses (overhead, marina and rental property) by cost center. She noted that the marina generates the majority of the Port's revenues, but it also incurs most of the expenses. The actual budget numbers are provided on Pages 4 and 5 of the budget packet, and Pages 6 and 7 of the budget packet illustrates actual numbers for 2011 through 2014, projected numbers for 2015, and budgeted numbers for 2016.

- **Marina Operating Budget**

Ms. Drennan referred to the Marina Operating Budget (Page 8) and the Marina Operating Budget Notes (Pages 9 through 13). She particularly drew the Commission's attention to the following:

- Permanent moorage revenue for 2016 is budgeted at \$3,192,000, which is an increase of Consumer Price Index (CPI) plus 1%, with a 3% vacancy. CPI for July 2014 through June 2015 was 1.6%, which means rates will increase by 2.6%. This increase will result in an increase of \$78,000 over 2015 projected revenues. She noted that the number includes passenger fees from Puget Sound Express. Dry Storage revenues are budgeted to be \$680,000, which is an increase of CPI plus 1% with a 9% vacancy.
- Staff is proposing that late fees be increased from 1% or \$10, whichever is greater, to 1% or \$50, whichever is greater. The current \$10 fee does not appear to be sufficient for some tenants to pay on time. As usual, there will be a one-time-per-year waiver if a tenant calls with an issue. Late fee revenues are anticipated to be about \$20,000 in 2016. Commissioner Faires said the Finance Committee had a lengthy discussion about late fees and determined that the proposed increase is consistent with other public marinas. The problem is not with people who miss a payment because they are on vacation, etc. A relatively small number of tenants are consistently late, and that is why the Finance Committee supports the change.
- The increase to employee benefits is primarily related to the increase in the Port's contribution to the Public Employees Retirement System (PERS) from 9.21% of salary in 2015 to 11.18% of salary in 2016. Commissioner Preston asked if the increase would apply to all PERS levels, and Ms. Drennan answered affirmatively. She explained that there are different contribution rates for employees, but the employer rates are the same for all three levels the Port participates in. Medical expenses will decrease by approximately \$5 per subscriber per month, which is good news compared to the 4.7% increase in 2015. She noted that medical expenses change based on the number of family members covered under the plan.
- The Port's insurance policy runs from September 2015 to August 2016. The 2016 budget of \$132,000 was calculated using the September 2015 through August 2016 actual numbers plus 5% for the last four months of 2016. Enduris increased the Port's liability coverage limit from \$10 million to \$20 million effective September 1, 2015, and property insurance premiums increased by 11% beginning September 2014 due to the December 31, 2011 boat fire claim. While the Port was made whole by Enduris, the property insurance premiums went up because the boater's policy did not list the Port as an additional insured by endorsement.

Commissioner Gouge advised that the Finance Committee agreed that it would be appropriate for the Port to go out to bid in 2016 to look at what other insurance carriers can offer. Commissioner Faires added that the Finance Committee also discussed that the Port would do its level best to satisfy the issues raised by the Port's present insurance carrier, thereby expecting the rates will eventually drop back down. While this may or may not happen, the change is not something the Port is taking lightly.

Mr. McChesney clarified that Enduris covered the Port's loss as a result of the boat fire at the end of 2011, but they were unable to recover their loss because the boater had not named the Port as an additional insured. The consequence was that the Port's rates increased by about 11%. Since that time, Enduris has recommended that the Port initiate a policy that requires all moorage tenants to

present the Port with an insurance certificate that names the Port as an additional insured by endorsement. The Commission approved this new policy several months ago, and staff has been working to implement the change. However, the effort has not been without some confusion and frustration on the part of the customers and push back from various insurance carriers who were seemingly unwilling to modify their policies to incorporate the change. This left many of the tenants technically out of compliance with the new requirement. The Port recently received a letter from Enduris reaffirming why it is necessary for the Port to be named as additional insured by endorsement, but some insurance carriers have tried to address the requirement by simply listing the Port as an additional interest. There is a fundamental difference between the two terms and being named as an additional interest is not sufficient to transfer the risk as recommended by the Port's insurance company. Over the past several weeks, staff has been working with the Port's insurance company, tenant insurance companies and local brokers to resolve the problem, and they believe they are nearly there.

Regarding the insurance rate increase, Mr. McChesney said he is not sure Enduris will agree to roll back the Port's rate increase once all tenants are in compliance with the new insurance requirement, but staff will definitely pursue this option. Parallel to this effort, staff believes it is good practice for the Port to reach out to other insurance carriers and find out what they have to offer. He emphasized that Enduris has provided good support to the Port, and putting the insurance contract out to bid boils down to good housekeeping.

Ms. Drennan announced that she was able to convince PEMCO Insurance to approach the Insurance Commission with a request to add the additional insured endorsement to their policy and they have done so effective November 19th. She also persuaded Progressive and Geico Insurances to change the language in their policies to meet the Port's requirements.

Commissioner Preston said he has discussed the Port's new policy with insurance brokers in the area. They voiced concern that an agency may issue a certificate that says the Port is an additional insured by endorsement, but the actual contract does not say that. Based on staff's work, he said he is more confident that the issue is being handled correctly now. Commissioner Orvis observed that some of tenants' previous policies were nothing more than glorified automobile policies that did not cover them for what they thought they were covered for. He suggested that perhaps the tenants are in better shape as a result of the effort, as well.

- Salaries and wages were budgeted for a CPI increase of 1.6%, with a merit pool of 1% for a combined increase of \$27,000 from 2015 to 2016. To address questions raised previously, she explained that salaries and wages are budgeted based on how the year is performing. Through July 31, 2015, salaries and wages were reported and recorded as follows: 63% to the marina, 7% to properties, 28% to overhead, and 2% to capital projects. The 2016 salaries and wages budget will be allocated the same way.
- The budget identifies a \$50,000 property tax allocation to the public launch to cover expenses that exceed revenues.

- **Rental Properties Operating Budget**

Ms. Drennan advised that the Rental Properties Operating Budget is on Page 14 of the budget packet, and the notes follow on Pages 15 through 17. She particularly drew the Commission's attention to the following:

- Harbor Square property rent is based on rental projections of current tenants and their lease terms, as well as which tenants the property manager believes will renew. The other revenues in the budget are based on current lease agreements.
- The owner of Bud's Bait exercised his third and last lease option in 2011, and the current lease will expire on June 30, 2016. Commissioner Gouge said the Finance Committee discussed that while the owner has been a great tenant for a number of years, it is now time for the Port to figure out what it

wants to do with that area in the future. He suggested the Commission have a workshop discussion at the beginning of 2016 to consider the best and highest use for the property. Commissioner Faires stressed that it is important for the Port to ensure that fishermen will still have bait if Bud's Bait is no longer operational. Commissioner Orvis said that before the Commission can have this discussion, staff must inspect and determine the building's condition.

- Increases to employee benefits, salaries and wages, and payroll taxes will be the same as those identified for the Marina Operations Budget, and the property tax allocation (\$200,000) would remain the same as it has been since at least 2011. Commissioner Orvis asked if the \$200,000 allocation of property tax revenue is sufficient or too much for Harbor Square. Ms. Drennan said it is typically enough, but this year the Port had some larger capital expenditures. For example, two roofs were replaced that were not identified in the original 2015 Capital Budget. Because they were able to increase occupancy in two of the buildings, the Commission determined it would be appropriate to improve the roof conditions in 2015 to better serve the new tenants.

- **Overhead Operating Budget**

Ms. Drennan referred to the Overhead Operating Budget on Page 18, as well as the notes that follow on Pages 19 through 22. She particularly drew the Commission's attention to the following:

- In 2015 Waterfront Festival reimbursements were moved from the Overhead Budget to the Marina Operating Budget to match the expenses. The miscellaneous revenue is now based on stormwater system reimbursements from the City, and since January 2011, the City's stormwater fees have increased by 33%. Mr. McChesney explained that the Port has an interlocal agreement with the City of Edmonds, which gives the City the right to use the Port's outflow pipe. In exchange, the Port gets a credit to their stormwater fees. The City has plans in place to daylight Willow Creek, and the condition of the pipe is very questionable. Port staff is in early discussions with the City about who should own the pipe and be responsible for making improvements. He cautioned that the discussions are preliminary and will not likely impact the 2016 budget.

Commissioner Orvis expressed his belief that the Port should press forward with a resolution one way or another. Commissioner Preston pointed out that if the pipe was located on private property, the City would likely be interested in ownership and control. Mr. McChesney summarized that the Port owns this critical piece of infrastructure that the City needs in order to address flood control issues. As per the terms of the current agreement, the Port is required to maintain the pipe, which may turn out to be a costly proposition. The Port has benefited from having credits to its stormwater fees, but the condition of the pipe will have to be addressed at some point. Staff will continue to work on this issue and report back to the Commission.

- The State audit for 2014-2015 is expected to occur in 2016, and the State Auditor's Office has notified the Port that their rates are increasing by 5%. Commissioner Faires recalled that legislation was recently considered that would allow public agencies to hire private auditors. He asked if this is something the Port would benefit from. Ms. Drennan explained that government agencies are already allowed to hire private auditors to do their financial audits, but accountability audits must be done by the State Auditor's Office. Not many ports have elected to hire private auditors, but she is keeping an eye on the situation. The benefit of a private auditor is that ports can decide on the timing of the audit. However, a final review by the State Auditor's Office would still be required. Her understanding is that the cost would be about the same.
- The 2015 Overhead Budget includes \$6,500 for election costs, as two Commissioners' terms expire at the end of 2015. There will be no election costs in 2016.
- The property tax allocation of \$150,000 is the same as the 2015 allocation. The tax dollars will be used primarily to offset Commission costs. The Snohomish County Assessor's Office has notified the Port that the rate of inflation for property tax purposes is below 1%, which means that if the Port does not do anything additional to bank levy capacity, the allowed tax rate would go up by about .2%. As

the Port has consistently banked its excess capacity, she recommended they do so again for 2016. The Commission voiced support for this approach.

- **2015 Projected Year End**

Ms. Drennan reviewed the projected year end numbers (Pages 23 and 24) as of September 11, 2015.

- **Capital Budget**

Ms. Drennan referred the Commission to the Preliminary 2016 Capital budget (Page 25), which also shows the 2015 Capital Projects. She specifically pointed out the following:

- The restroom complex project will likely be completed in 2015. If not, the project will be capitalized in 2016. Commissioner Gouge asked if some of the engineering costs associated with the restroom project would be capitalized as an expense. Mr. McChesney answered that engineering costs, as well as staff's labor costs, would be capitalized. Once the project is completed, the costs will be capitalized and depreciation will be calculated over the life of the facility.
- The promenade bench floor replacement project is scheduled for 2016 at a cost of \$12,000.
- The software and hardware, which serves the primary server that controls network access, the accounting software, email and internet access and all of the staff's documents is out of date and is no longer supported by Microsoft. It needs to be updated.
- Staff is proposing to replace another vehicle with a one-ton truck with a utility box for the Maintenance Department. Mr. McChesney explained that the Port currently has a three-quarter ton truck that is fully rigged out with a rack and tool box, which is working fine. In 2016, the Port is scheduled to replace the small Ford Ranger that is used by Marina Operations staff and is on its last leg. With the purchase of the new truck, one of the Maintenance Department's vehicles would go to Marina Operations. The new vehicle would allow Port staff to carry much more material and supplies, making them more efficient in carrying out their work. The request is reflective of the amount of work staff is now doing in house. Commissioner Preston asked if there is room for both of the new trucks to be stored inside the garage, and Mr. McChesney answered affirmatively.
- \$166,000 has been allocated as a placeholder for upgrades that need to be done at the fuel dock in 2016. Port staff originally anticipated doing the entire upgrade at one time, but backed off when it was determined the costs were too high. Fuel dock items are now being replaced as needed. It is likely that the point-of-sale software will need to be upgraded in 2016 because it is becoming obsolete. The shells of the dispensers are getting rusty and may also need to be replaced in 2016.

Commissioner Orvis asked if the Port is creating an even bigger problem with compatibility by doing the upgrade piecemeal. Ms. Drennan said staff considers compatibility issues when items are replaced. They also consider the changing environment. For example, the current system is not able to process chip credit cards. The intent is to update the Total Marina Program's credit card system and then look at options for upgrading the fuel dock system.

Commissioner Gouge asked if the Port would get a better price if the upgrades are done as a total package. Ms. Drennan said staff attempted this approach, and the companies that bid on the project were not comfortable with many of the products the Port needed. For example, she received an estimate of \$25,000 for one item, but the bids for the complete project priced the item at \$80,000 because the companies did not really want to do it. She felt the bid prices were nearly twice what it would cost to do the projects individually.

Mr. McChesney explained that two components of the fuel delivery infrastructure were recently upgraded; leak detection monitoring and a section of pipe as recommended by the Department of Ecology. But the fuel dispensers were not replaced and are showing their age. The current transaction

infrastructure consists of two parts, which do not work well together. The Port Commission recently reaffirmed that the pay-at-the-pump system provides a very useful benefit to the Port, but it is not compatible with the other transaction infrastructure. From an administrative point of view, this creates serious challenges for staff. Commissioner Faires asked if time and market demand would eventually bring forth a solution. Mr. McChesney answered that the Port is the only marina that he knows of that has a pay-at-the-pump system, and this creates problems for upgrading the transaction infrastructure and the dispensers themselves.

Commissioner Faires asked how many non-staff-attended tenants fuel their boats each month. Ms. Drennan estimated that about 60% or 200,000 gallons of fuel sold each year can be attributed to tenants who use the pay-at-the-pump system. This equates to a substantial number of transactions per year. She said staff has some ideas for different solutions to bring back for the Commission's consideration.

- Money is allocated in 2016 to replace the gutters on the docks. This project was originally identified for 2015, but the work has not been done.
- The Facilities Maintenance Manager has recommended that the Port purchase a replacement Travelift engine in 2016 at a cost of about \$5,500. Commissioner Faires asked if staff was able to resolve the most recent engine problems. Mr. McChesney answered that the idea of purchasing a replacement engine is a placeholder. Earlier in the year, Port staff replaced numerous items on the existing engine, and it is in good shape now. However, the fear is that it will seize up and the Port will be without a motor for an extended period of time, leaving them unable to serve Jacobsen's Marine and other customers. However, at this point, the existing engine is running fine.
- The 2016 Capital Budget also identifies upgrades to the dry storage hydraulic pumps at a cost of approximately \$12,000.
- \$25,000 is budgeted in 2016 for the Harbor Square Dayton/SR-104 landscape improvements. Mr. McChesney reported that Port staff has been working to figure out the best approach and felt \$20,000 to \$25,000 would be adequate to complete the project. However, a recent discussion amongst the Commission raised the idea of adding to the existing sign to identify the Port of Edmonds. Commissioner Orvis asked if there is an existing irrigation system in this location. Mr. McChesney answered yes, but it is not extensive. He said the intent is to develop the site using a rain garden concept, with landscaping that requires very little maintenance. He noted that a City permit would be required for the sign upgrade.
- Commissioner Preston asked if the dry storage concrete pad replacement could be done in house in 2017. Ms. Drennan said this project is budgeted in 2017, and she hasn't had an opportunity to talk with the Facilities Maintenance Manager about whether or not the project could be done in house.
- Commissioner Gouge asked if the Port is still responsible for the grease interceptor at Harbor Square Building 2. Mr. McChesney answered no. Ms. Drennan pointed out that no money was allocated for the project, but she agreed to remove it as a line item.

- **Projected Cash Flow Schedule**

Ms. Drennan reviewed the numbers in the Projected 2016 Cash Flow Schedule on Page 26 of the budget packet, which is similar to the 2015 Cash Flow Schedule. She reminded the Commission that because the Port was able to pay off the 1998 Revenue Bonds in August, the bond reserve was eliminated this year and the money was primarily used to pay off the bonds. She also reminded the Commission that the Port spent more cash than they put into the Capital Replacement Reserve in 2015 because they had to take care of some items that were originally budgeted for 2016.

Commissioner Preston asked if the Port still intends to install another camera for the webcam. Mr. McChesney said he does not know all of the details, but the intent is to acquire one more camera. The cost will be considered an operating expense.

- **Moorage and Dry Storage Rates**

Ms. Drennan referred to the schedule for the 2016 Open and Covered Moorage Rates (Pages 27 and 28 of the budget packet) and 2016 Dry Storage Seasonal Rates (Page 29 of the budget packet). She reminded the Commission that the Port recently implemented dry storage seasonal rates. The rates for April through September are about 25% higher than the rates for the remaining months. The Moorage Rate Survey on Page 30 of the budget packet compares the Port of Edmonds' (2.6%) proposed rate increase with recent and/or proposed rate increases at Elliott Bay, Everett, Everett North, La Conner, and Shilshole Marinas (ranging from 1% to 7%).

- **Marina Operations Fees**

Ms. Drennan referred to the fee schedules for Marina Operations on Pages 31 through 35 of the budget packet and advised that most of the fees will remain the same as in 2015. However, staff is proposing the following changes:

- The after-hour charge would increase from \$115 to \$125 per hour and additional time over one hour would be charged at \$3 per minute.
- Labor fees in the boatyard would increase to \$49 per half hour to reflect the increase in employee costs.
- Guest moorage summer rates would increase from \$1.30 per foot to \$1.35 per foot and winter rates would increase from \$1.15 per foot to \$1.20 per foot to cover the electrical improvements the Port made in 2012.
- Open loan-a-slip fees would increase from \$1.35 to \$1.40 per foot and covered slips would increase from \$1.50 to \$1.55 per foot.
- The engine haul/equipment move fee for each 15 minute increment over 30 minutes would increase from \$47.50 to \$49.00 to reflect the increase in employee costs.
- The minimum charge for the Caterpillar forklift would increase from \$47.50 to \$49 to reflect the increase in employee costs.
- Liveaboard fees would increase to \$78.02 per month, which is an increase of CPI plus 1%.
- Trailer Storage would increase to \$61.27 per month, which is an increase of CPI plus 1%.
- Passenger fees would increase from \$1.00 to \$1.10 per passenger, consistent with the Port's agreement with Puget Sound Express.
- A new fish buyers fee would be imposed at \$0.15 per pound based on the total product purchased. Mr. McChesney advised that this fee is provisional. He recalled that the Commission discussed the issue several weeks ago and generally understood the situation. However, the Commission was not comfortable initiating a change until staff could provide more information.
- The sublease key deposit would increase to \$50 but would be refunded when the key is returned. Commissioner Gouge recalled that the Commission previously discussed going to electronic keys in 2017. He asked how electronic keys would work for vendors and loan-a-slip customers. Mr. McChesney said vendors and loan-a-slip customers would have to come to the Marina Operations Office to obtain a key for just that dock. Ms. Drennan added that the locks would be programmed to open specific gates. She acknowledged that the Port would have to develop a program for vendors

who need access to all the docks. Commissioner Faires pointed out that an electronic key system would allow the Port to control who has access to the docks.

Greg Bough, Edmond Yacht Club, said the club has implemented an electronic system that allows them to know who is accessing their facility at any given time. This allows them to generate a variety of helpful reports.

- The wait list deposit for dry storage would increase from \$100 to \$200. Right now, the minimum dry storage rate is over \$200, and the new wait list fee would be applied to the security deposit when the person accepts a slip and refunded if the tenant stays for at least 365 days.
- As discussed earlier, late fees would be increased from \$10 to \$50.
- The fee for unreturned keys would be increased to \$50, but the fee would be refunded if the key is returned.
- The fuel markup per gallon would increase from \$0.69 to \$0.70, and the intent is to break even without overhead.
- The installation fee for installing dock amenities would increase to \$24.50 per 15-minute increment.

- **Employee Pay Table**

Ms. Drennan referred to the 2016 Pay Scale Table on Page 36 of the budget packet, which identifies a 1.6% increase. As requested previously by the commission the table identifies the number of staff at each grade level for both full-time and seasonal staff.

Commissioner Preston referred to the Combined Operating Budget (Page 5 of the Staff Report) and noted that there is no line item specifically related to tourism. Ms. Drennan explained that the budget does not generally have a specific line item for tourism. However, it does have line items for marketing, promotional hosting and economic development. At this time, tourism is accounted for under economic development, but she acknowledged that it could be a separate line item.

Commissioner Preston pointed out that economic development only represents about 0.6% of the total budget. Ms. Drennan responded that there are additional line items associated with economic development such as advertising and marketing. She reminded the Commission that, at a previous meeting, she provided the total dollars allocated for economic development related expenses.

Commissioner Faires recalled that, historically, the Commission has agreed that, as a guideline, 1% of the Port's revenue should be allocated towards economic development. However, the allocation has been significantly less than in recent years because the Commission has not found a really good project or program to use the funds for. Commissioner Orvis recalled that the Commission has tried to avoid contriving ways to spend economic development dollars. If they find worthwhile projects and programs to spend economic development dollars on, they may actually exceed 1%.

The Commission agreed to have a workshop discussion in 2016 to identify what it is they want to do relative to economic development. The budget could then be modified as appropriate. However, Commissioner Orvis cautioned against making up projects just so that the entire 1% could be spent each year. Commissioner Preston said that if the Port is commissioned to do economic development, \$25,000 does not seem like a significant allocation. Commissioner Orvis clarified that rather than being commissioned to do economic development, the Port is given the authority to do economic development. If the Port Commission finds valuable projects or programs, they have the authority to provide financial support. However, they must be conservative and studious about what they do with the money.

Commissioner Preston asked if the proposed budget includes funding for a newsletter in 2016. Ms. Drennan answered that \$10,000 has been allocated in 2016 for this purpose, and the current idea is to send out the brochure

that was prepared by Ms. Barnes, along with additional financial information. Commissioner Orvis cautioned that if the Commission decides to mail out a newsletter of some type, there should be some way to collect feedback to determine how effective the mailing was.

Ms. Drennan reviewed that a public hearing on the draft budget is scheduled for October 26th, and the Commission is scheduled to adopt the budget and accompanying resolutions on November 9th. The final budget must be submitted to Snohomish County by November 30th. If the Commission does not adopt the budget on November 9th, a special meeting may be necessary. She reminded the Commission that, in past years, they held two or three public hearings on the budget. This created some confusion for those who waited until the last hearing to submit their comments. When the Commission approved the budget right after the last public hearing, some people felt their comments were not taken into account.

HARBOR SQUARE LANDSCAPE MAINTENANCE SERVICES #2015-224

Mr. McChesney announced that the Port's current vendor for Harbor Square Landscape Services declined to renew their contract. As a result, Port staff put the contract out for competitive bid on September 24th and placed advertisements in local newspapers. Four bids were received and the low amount was from AtWork! for \$9,830 plus tax. A contract was issued effective November 2015. He noted that no action is required by the Commission.

NEW RESTROOM UTILITIES AND SITE WORK CONTRACT

Mr. McChesney reviewed that on August 25, 2014 the Commission reviewed the need and process to obtain two restroom buildings to be located near the guest moorage docks. CXT manufactures pre-fabricated buildings on a State contract that meet the requirements for updated restroom and shower facilities, and the Commission authorized staff to proceed with the permitting and bidding process. On June 29, 2015 the Commission authorized staff to purchase pre-fabricated restroom buildings from the State Contract #00213 and to engage Reid Middleton to verify the site conditions and prepare bid documents for the site utility work in preparation for the placement of the buildings. Formal bid invitations were sent out on September 17th to appropriate vendors on the Municipal Research and Services Center (MSRC) roster and advertised in local newspapers. A pre-bid walkthrough of the project was conducted on September 23rd, and two qualified bids were received on October 2nd. The low bid of \$75,525.00 (base bid) was submitted by Interwest Construction, Inc. As per the contract specifications, work shall be substantially complete by December 1, 2015.

Mr. McChesney advised that the Commission has been briefed throughout the process on the progress and details of permitting, purchase authorization and site work for the new restrooms. The fiscal impact of the contract will be \$75,525.00 plus sales tax of \$7,174.85 for a total cost of \$83,699.85. He recommended the Commission authorize him to enter into a contract with Interwest Construction in the amount of \$75,525.00 plus sales tax for the base bid for the New Restroom Utilities and Site Work Contract 2015-223. The engineer's estimate was \$80,000.

Mr. McChesney reported that the project is currently on schedule, but the critical path depends on getting the permits from the City in a timely manner. The City has indicated the permit review will be held on October 15th. Assuming the Commission authorizes the contract and the City issues a permit soon, the site work should commence in a week or two. There is a good chance the entire project can be completed by the end of 2015. The demolition work has already been completed with in-house labor. When asked if he anticipates any problems with the permits, Mr. McChesney explained that Port staff has already met with City staff in a pre-development meeting, and he assumes the permit will be a very straightforward proposition.

COMMISSIONER ORVIS MOVED THAT THE COMMISSION AUTHORIZE THE EXECUTIVE DIRECTOR TO ENTER INTO A CONTRACT WITH INTERWEST CONSTRUCTION, INC. IN THE AMOUNT OF \$75,525.00 PLUS SALES TAX FOR THE BASE BID FOR THE NEW RESTROOM UTILITIES AND SITE WORK CONTRACT 2015-223. COMMISSIONER GOUGE SECONDED THE MOTION, WHICH CARRIED UNANIMOUSLY.

EXECUTIVE DIRECTOR'S REPORT

Mr. McChesney reported that he and Commissioner Preston attended a Waterfront Festival Recap Meeting last week with representatives from the Edmonds Rotary Club. They discussed ideas about how the festival might be improved. It was reported that the 2015 festival was successful and netted about \$45,000. Staff will continue to work with the Rotary Club to find ways to make it better and perhaps less disruptive to Port tenants.

Mr. McChesney reported on his attendance at the Edmonds Chamber of Commerce Economic Development Meeting last week where the primary topic of discussion was Highway 99 and the Railroad Crossing Study. They also discussed the candidates forum, and he voiced the Commission's request that future forums not be scheduled on the same evening as regular Port Commission meetings.

COMMISSION COMMENTS AND COMMITTEE REPORTS

Commissioner Gouge commented that the laundry facility that operated at Salish Crossing has closed, and the closest facilities are located on 76th Avenue West and 196th Street. He suggested the Commission consider including a laundry facility in one of the new restroom/shower facilities to serve tenants and guests. Mr. McChesney agreed that the Port should consider adding laundry facilities once the new restrooms are in place and they know how much floor space there is to work with. Another option would be to include laundry facilities when the existing restroom is remodeled at a later date.

Commissioner Gouge reported that he and Commissioner Preston will attend the Washington Public Ports Association's (WPPA) Small Ports Seminar. He also announced that he would attend the Candidates Reception sponsored by Economic Development Snohomish County (EDSC) on October 20th.

Commissioner Orvis said he would not be attending the annual WPPA Conference, but he plans to attend the EDSC's Candidates Reception on October 20th.

Commissioner Faires reported that the Finance Committee met on September 30th. He also reported on his attendance at the reception/dinner with Puget Sound Express (PSE). While the event was primarily a congratulated process, it conveyed to PSE that the Port considers them to be important. He felt the Port should do similar receptions as appropriate in the future to promote the Port as a good place to do business.

Commissioner Preston advised that he and Commissioner Orvis participated in the Edmonds Chamber of Commerce Candidates Forum just prior to the Commission's regular meeting. He also attended the Waterfront Festival Recap Meeting where he was pleased to see that the new people on the Rotary Committee are open to changes. They discussed ideas about how the festival could be made less disruptive to Port tenants. He said he threw out the idea that because the event is called the Waterfront Festival, it should utilize more of the waterfront. For example, water-related activities could take place at Marina Beach Park. This would relieve some of the square footage that is used at the Port. He expressed his belief that the event should be more about water-related activities and less about the beer garden.

ADJOURNMENT

The Commission meeting was adjourned at 9:05 p.m.

Respectfully submitted,



Fred Gouge
Port Commission Secretary