

PORT COMMISSION OF THE PORT OF EDMONDS

MINUTES OF REGULAR MEETING

January 11, 2010

COMMISSION PRESENT

Mary Lou Block, President
Jim Orvis, Vice President
Fred Gouge, Secretary
Bruce Faires - Absent
Marianne Zagorski

STAFF PRESENT

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

OTHERS PRESENT

Bradford Cattle, Port Attorney
Theresa Ocfemia, Student Rep.
Karin Noyes, Recorder

CALL TO ORDER

Commission President Block 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 ORVIS MOVED THAT THE CONSENT AGENDA BE APPROVED TO INCLUDE THE FOLLOWING ITEMS:

- A. APPROVAL OF AGENDA.**
- B. APPROVAL OF DECEMBER 14, 2009 COMMISSION MEETING MINUTES AS AMENDED.**
- C. APPROVAL OF DECEMBER 28, 2009 COMMISSION MEETING MINUTES.**
- D. APPROVAL OF CHECK NUMBERS 5511 THROUGH 5528 IN THE AMOUNT OF \$1,414.80 FOR TENANT REFUNDS.**
- E. APPROVAL OF VOIDED CHECK NUMBERS 68703 THROUGH 68708 IN THE AMOUNT OF \$382.97 FOR ACCOUNTS PAYABLE.**
- F. APPROVAL OF CHECK NUMBERS 69015 THROUGH 69038 INCLUDING DIRECT DEPOSITS D00580 THROUGH D00591 IN THE AMOUNT OF \$46,316.69 FOR PAYROLL.**
- G. APPROVAL OF CHECK NUMBERS 69039 THROUGH 69043 IN THE AMOUNT OF \$29,280.62 FOR PAYROLL.**
- H. APPROVAL OF CHECK NUMBERS 69044 THROUGH 69097 IN THE AMOUNT OF \$84,785.14 FOR ACCOUNTS PAYABLE.**
- I. APPROVAL OF CHECK NUMBERS 11120 THROUGH 11131 IN THE AMOUNT OF \$10,322.93 FOR HARBOR SQUARE ACCOUNTS PAYABLE.**

J. APPROVAL OF CHECK NUMBERS 11132 AND 11133 IN THE AMOUNT OF \$26,047.83 FOR HARBOR SQUARE ACCOUNTS PAYABLE.

K. APPROVAL OF INTER-LOCAL AGREEMENT WITH THE STATE OF WASHINGTON PURCHASING.

COMMISSIONER ZAGORSKI SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY.

PUBLIC COMMENTS

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

MARINA OPERATIONS RESTROOM REMODEL

Mr. McChesney reminded the Commission that the restrooms and shower facilities located at the Marina Operations Building have previously been identified as needing to be remodeled. At one point there was an attempt to replace the facility with a new marina restroom/shower in a separate building, but that option was foreclosed when grant funding could not be obtained. Since that time, staff has been working with MAKERS to design upgrades to the existing facility, and last year MAKERS prepared a scope of work and budget estimate for bidding. The project was included in the 2009 Capital Budget, but was never finalized or approved for bidding. Instead, it was rolled over into 2010. Subsequently it was dropped from the 2010 Capital Budget and deferred for consideration as a maintenance expense. Staff has been working to further refine the scope of work in order to accomplish the project's main objectives using Port staff to perform the contract and achieve the best value for the Port. Staff analyzed the schedule of values provided by MAKERS and outsourced all of the project elements. A minimum of three quotes were obtained for specific line items.

Mr. McChesney summarized that the total cost of the project would be \$26,284.00, which would be funded by the Operating Budget. He advised that the proposed project would meet the Port's strategic purposes by ensuring that Port facilities are attractive, safe, clean, user-friendly, and readily accessible. He recommended the Commission authorize staff to complete the Marina Operations Restroom Remodel based on the scope of work and schedule of values as presented, acquire the necessary elements, and perform the work in the manner described with a budget not to exceed \$26,284.00. He said he feels comfortable the Port has the resources in place to perform the work and the proposal seems the most cost-effective way to accomplish the project, which has been discussed for several years as something that needs to be done.

Commissioner Zagorski questioned if the sales tax identified in the proposal is accurate. Ms. Drennan advised that the current sales tax rate is 9.5%.

Commissioner Orvis asked if staff would do the tile work or if a private contractor would be hired. Mr. McChesney answered that a contractor would be hired to clean up the existing tiles, replace the broken tiles with materials that match, and re-grout all of the tile work.

Commissioner Block noted that the proposal only identifies one replacement toilet. Mr. McChesney explained that the number of toilets in the women's restroom has already been reduced to one to accommodate the American's with Disabilities Act (ADA) requirements. The replacement toilet would have a pressurized flushing diaphragm, similar to the toilet that current exists in the men's restroom. The toilet in the men's restroom would not be replaced.

Commissioner Block requested more information about how staff obtained the bids. Mr. McChesney answered that staff used the schedule of values that was prepared by MAKERS as a starting point. The maintenance staff researched bids for each of the elements, making sure the scope of work was the same in each of the bids.

Mr. McChesney noted that staff would like to complete the project by the end of February. If the Commission approves the proposal tonight, staff would order the materials and begin to coordinate the project. Careful coordination will be required so the restroom is only closed down the minimum time necessary to complete the project. Commissioner Orvis reminded staff that there is one weekend in February where the Port expects to have 25 boats in guest moorage. Mr. McChesney said staff would factor this into the schedule.

COMMISSIONER ZAGORSKI MOVED THE COMMISSION AUTHORIZE STAFF TO PROCEED WITH THE MARINA OPERATIONS RESTROOM REMODEL AS PRESENTED, WITH A BUDGET NOT TO EXCEED \$26,284.00. COMMISSIONER GOUGE SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY.

2010 COMMITTEE ASSIGNMENTS

Commissioner Block referred the Commissioners to the draft 2010 Committee Assignments and invited them to share their thoughts and recommendations. She recalled their previous discussion that there was no need to assign a Commissioner to the Edmonds Crossing Project at this point.

At the request of Commissioner Zagorski, Commissioner Gouge was assigned to be the chairperson of the Finance Committee. Commissioner Orvis agreed to contact Stephen Clifton, Edmonds Community Services/Economic Development Director, to find out the status of the Downtown Waterfront Master Plan Group.

COMMISSIONER ORVIS MOVED THE COMMISSION APPROVE THE 2010 COMMITTEE ASSIGNMENTS AS STATED ON THE SPREADSHEET DATED JANUARY 11, 2010, WITH THE CHANGES IDENTIFIED ABOVE. COMMISSIONER GOUGE SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY.

INVESTING REPORT

Mr. McChesney reported that in recent months there have been reports about local banks that have caused the Port concern. Therefore, he invited the Finance Manager to prepare a report to the Commission to explain the Port's circumstances and what staff is doing to protect the Port's investments.

Ms. Drennan recalled that the Commission approved the Port's Investment Policy on May 13, 2002 and staff began investing outside of the Washington Local Government Investment Pool on May 31, 2002. The Port's excess funds are currently invested in the following entities: Bank of Washington, Washington LGIP, Cascade Bank and Evergreen Bank. She advised that over the past few years, the banking industry has undergone major changes as a result of the recession. Banks are under increased scrutiny by the Federal Deposit Insurance Corporation (FDIC), primarily due to loans that have gone bad.

Ms. Drennan advised that staff is carefully watching the Port's investments and the banks that hold them. Within the past couple of weeks, they have received information about the Bank of Washington and Evergreen Bank that causes some concern. They also found that Cascade Bank was notified by the FDIC in late September that due to concerns about liquidity, deteriorating asset quality and overconcentration of real-estate lending, it would be subject to a "corrective action program." The article states that Cascade Bank received federal aid under the Troubled Asset Relief Program and missed its scheduled November dividend payment. At this time, staff is not clear about what this information means for the future of the banks, but the Executive Director and Finance Manager will meet with representatives from all three banks in the next few weeks.

Ms. Drennan summarized that all Port funds are invested in banks that participate in the State of Washington Public Depository Program and are insured by the FDIC, collateralized or insured at 100% of the investment, and safe. When the banking industry is more stable, the Port intends to issue a Request for Proposals (RFP) for its primary checking account. One condition of the loan with Cascade Bank is that the Port maintains a checking account for the

rent deposits from the Harbor Square property at Cascade Bank, so that account will not be included in the RFP. Mr. McChesney expressed his belief that now might not be the right time to make changes to the Port's current investment program. As the economy is sorted out in the future, staff intends to issue a RFP for its banking services.

Commissioner Gouge inquired if the Port is required to keep over \$4 million in Cascade Bank. Ms. Drennan answered no. However, she emphasized that all of the funds are insured and collateralized. She further explained that banks are currently required to set aside the money invested by public entities. She pointed out that one local bank, Horizon, failed over the past weekend, and she expects there will be other local banks that end up the same. Commissioner Gouge said it is important that the taxpayers have a clear understanding that their money is safe and the Port has a prudent financial policy. Commissioner Orvis reminded the Commission of the new State law that protects public monies that are invested in banks in Washington State. The public monies must be set aside rather than invested. Ms. Drennan added that in order to be eligible to accept public funds, banks must apply for and be accepted into the State program, and they are required to report periodically on the monies they have collected.

Commissioner Block referred to the Executive Director's recent article that was published in *THE EDMONDS BEACON* to point out how the Port has been impacted by the dramatic decrease in interest rates. She suggested the Executive Director also submit an article for publication explaining the new State requirements related to public funds and how the changes will impact the interest rate the Port can receive on their investments. Commissioner Zagorski observed that the Port's current investment strategy goes against the long-held notion of not concentrating more than 50% of the Port's assets in one place. However, the situation has changed over the past few years.

FINANCIAL SYSTEMS REVIEW WORKSHOP

Mr. McChesney recalled that during the recently completed 2010 budget process, some issues were identified that initiated a request for a comprehensive review of the Port's financial systems. In addition to technical accounting and auditing standards, many of those systems also reflect policy directives from the Commission, some of which reach back over a number of prior budget cycles. The proposed Financial Systems Review Workshop on January 25th is motivated by a need to further identify and address potential issues. The intent is to obtain input and explore different alternatives to improve financial reporting, expedite budget review, and facilitate managerial and policy decisions. For example, he recalled that during the recent budget discussions, alternatives were presented for which a policy review had not yet been completed. Some people from the Edmonds/Woodway community expressed concerns about the process and analysis. Subsequently, Port staff received input illustrating alternative budget perspectives and models. Perhaps more than anything else, the purpose of the workshop is to adopt a common vocabulary based on a mutually acceptable finance and budget model for managing the Port's assets and planning future development.

Mr. McChesney referred to the draft outline of possible topics of discussion for the workshop and suggested the Finance Committee meet prior to the workshop to review and refine the outline. He expressed his belief that while there is no need to change current practices that work well, it would be prudent for the Commission to go through the exercise of understanding the Port's current financial system, the general assumptions that have been made in the past, and how they want to go forward in the future.

Commissioner Zagorski expressed concern that it might not be possible for the Commission to tackle all of the issues in just one workshop. Mr. McChesney agreed and suggested the Finance Committee meet to review the outline and identify the best approach for tackling all of the elements. He noted that a fair amount of staff work would also be required to prepare for the workshop discussion. While it may be appropriate to extend the discussion into February, he urged the Commission to complete their review of the financial system as expeditiously as possible.

Commissioner Gouge concurred with Mr. McChesney's recommendation that the Finance Committee meet to review the outline and identify the items they would like the Commission to address at their January 25th workshop discussion. He invited the Commissioners to share their thoughts and suggestions with members of the Finance Committee as soon as possible. Commissioner Zagorski agreed it would be appropriate for the Finance Committee

to review the outline and organize the various elements into groups for future discussion. It would also be appropriate for them to identify the information they would like staff to provide at the January 25th workshop.

Commissioner Gouge expressed his belief that staff has to spend too much time on the budget because of petty things that could be resolved by revising the financial system. Commissioner Orvis agreed and suggested that perhaps they currently have too many detailed cost centers. For efficiency, the cost centers could be grouped together under general headings. The members of the Finance Committee asked staff to contact them and schedule a meeting as soon as possible.

HARBOR SQUARE MASTER PLAN – PUBLIC PROCESS

Mr. McChesney recalled that last year, the Port engaged outside consultants (LMN Architects and Berk & Associates) to perform a redevelopment analysis and conceptual level feasibility study for potential redevelopment of Harbor Square. The study was completed and delivered to the Port on November 9th. A special Commission meeting was held on November 16th to review the recommendations and alternatives and to invite public comment. Although approximately 35 people attended, the meeting was preliminary and introductory and was not part of a specific redevelopment proposal.

Mr. McChesney further recalled that a workshop was held at the Commission's December 14th meeting to discuss further actions required relative to moving forward with a formal master planning process that would eventually arrive at a preferred alternative and the attendant entitlements necessary for Harbor Square redevelopment. The Commission authorized the Executive Director to send a letter to the City of Edmonds asking for consideration of a Harbor Square Master Plan on their 2010 Comprehensive Plan docket. The letter was sent on December 18th.

Mr. McChesney reported that on January 7th, he and Commissioners Faires and Zagorski met with City representatives to discuss the Comprehensive Plan process and to design an effective process for obtaining public comment in order to facilitate public awareness. Their goal is to avoid potential flaws to the process that may lead to confusion and/or delays. He advised that there are three elements to the process that overlap and interact: public relations, SEPA review and Comprehensive Plan amendment.

Mr. McChesney explained that because the City's currently adopted Comprehensive Plan already anticipates a future Master Plan for Harbor Square, no formal Comprehensive Plan change would be necessary. Rather, the Harbor Square Master Plan could be included in the Comprehensive Plan by reference and amendment. Subsequently, there would need to be a zoning change to complete the entitlement for Harbor Square redevelopment. In technical terms, the specific entitlement instrument would be called a Development Agreement because the City no longer uses the contract rezone approach. The entire process would be open to the public.

Mr. McChesney explained that completing the Comprehensive Plan amendment process requires a non-project action SEPA review, and the Port can act as its own SEPA lead agency. The SEPA process also requires an open public process. One alternative would be for the Port to initiate SEPA and use that as a vehicle for vetting the alternatives, but this might create the appearance of the Port having already decided on a preferred scenario without first engaging the public. He suggested that to satisfy the public relations imperative and improve the effectiveness of the process towards achieving the best redevelopment plan, the Port should first re-introduce the Harbor Square Master Plan alternatives similar to those that were presented at the November 16th meeting. This could be an open house workshop format with the potential to include facilitated design charrettes that would energize the discussion and activate local inspiration. He summarized that the intent is to gather as much useful public input as possible to inform the SEPA process and to improve the confidence of the Edmonds Planning Board and City Council for approval.

Commissioner Zagorski questioned it if it would be appropriate to conduct a scoping meeting, similar to the SEPA scoping meeting, to get the public's issues and concerns on the table. Mr. McChesney explained that the scoping meeting is a term of art that assumes one is starting the SEPA process. He suggested that rather than going directly

into a SEPA scoping meeting, an open house could be used as a way to vet the issues and lead into the scoping meeting. Commissioner Zagorski stressed the importance of identifying the public issues first. They should emphasize that the Port would like the citizens to address issues beyond height, such as target population, how the redeveloped site would interact with downtown, etc. They should also emphasize that they are only interested in ideas that are financially feasible.

Mr. McChesney explained that the more they can identify and resolve issues up front, the better chance they will have of gaining public and City Council approval of the final product. It will be important for the Planning Board and City Council to know that the Port has done everything possible to obtain input from the public and address their concerns. Commissioner Zagorski stressed the importance of keeping a careful record of the number of people who attend the public meetings and the comments they provide.

The Commission discussed the best process for ensuring they get participation from a wide variety of citizens. Mr. Cattle advised that the Port cannot restrict people from speaking at any and all of the public meetings, but they can make sure the meetings are broadly advertised to the public. They can also hold the meetings in different locations throughout the Port District in an attempt to capture the attention of a broader constituency. The Commission further discussed the need to conduct the public meetings in such a way that only individuals who come to the podium would be allowed to comment. This would ensure that everyone in attendance has an equal opportunity to speak.

Commissioner Orvis cautioned that the Port must be very careful to emphasize that the alternatives represent ideas only. They must also emphasize that the Commission would only be able to consider alternatives that provide an acceptable return on investment. For example, it will not be possible to redevelop the site as affordable housing unless the project is subsidized by the City or State, which is not likely. The Port's financial limitations and expectations must be made clear early in the process.

Mr. McChesney suggested the Commission consider the option of hiring a planning consultant to facilitate the public meetings. He summarized that the Commission would like the public open house to be more than a repeat of the November 16th meeting at which the four alternatives were presented. While the alternatives could be used as a jumping off point, the open house should be used as a design charette to engage the public and solicit their ideas. Professionals use specific techniques to solicit public input in such a way that the public feels their comments and issue are being integrated into the process. Commissioner Orvis expressed his belief that the Commission and Port staff has the ability to facilitate an effective public open house without hiring an outside consultant. Commissioner Block said that while she has seen situations where a facilitator has been worthwhile, the Port Commission and staff could also effectively facilitate the public meetings.

Commissioner Orvis suggested the first step should be to invite the public to submit their ideas in writing. The Commission could review the submissions and identify those that could be financially feasible for further consideration. Commissioner Gouge concurred and suggested the Port identify a base-line return on investment as a starting point. Only alternatives that meet this minimum requirement should be considered further.

Mr. McChesney summarized that the November 16th meeting was primarily for the benefit of the Commission to look at the alternatives and understand how the concepts and financial information work together. The open house would be an opportunity for the public to get into the issues in more depth. Everyone's comments would be recorded, and the Commission could consider each one and determine which ideas make sense from a financial point of view.

Commissioner Block said that while it is important that the public understand that the proposed alternatives must meet the bottom line return on investment, they must also understand that the Port Commission cares how the end project will look and the benefits it will provide to the community.

Mr. McChesney advised that in order for the City Council to consider a Master Plan proposal in 2010, the Port must submit their draft Master Plan to the Planning Board for review by September 10th.

Commissioner Block pointed out that while the staff report suggests that a full Environmental Impact Statement (EIS) would not be necessary to amend the Comprehensive Plan, the actual decision cannot be made until the SEPA scoping process has been completed and the impacts have been identified. Mr. McChesney agreed. He said that in his discussions with City staff, they indicated that a full EIS would probably not be required, but the decision cannot be made at this point.

Commissioner Orvis reminded the Commission that while they have indicated their desire to proceed with the Comprehensive Plan amendment in 2010, they would still have the option of postponing their final proposal to the City if they find they cannot meet the September submission deadline. He cautioned against gaining the reputation of trying to “jam” the proposal through, but he agreed they need to get the process started as soon as possible.

Mr. McChesney summarized that the Port has been meeting with the City staff and it is now time to put together a schedule for proceeding through the master plan process. Commissioner Orvis agreed and suggested that once a schedule has been identified, it should be advertised extensively to the public. Mr. McChesney suggested the first step in the process would be to hold a public open house in February, and the Commission concurred. Commissioner Orvis recommended staff notify the City of the date for the open house and ask them to announce it at their City Council Meetings.

Mr. Cattle left the meeting prior to the Executive Director’s Report

EXECUTIVE DIRECTOR’S REPORT

Mr. McChesney reported on the following items:

- Port Attorney Bradford Cattle administered the Oath of Office to the three reelected Commissioners at a special meeting on January 4, 2010.
- The Anthony’s roof project is approximately 50% completed. The project is weather related and the contractor is doing a good job of moving it along as quickly as possible. They did not work during the week between Christmas and New Year’s Day because Anthony’s was so busy during the holiday season. He recalled that the Port had originally anticipated the project would be completed by the end of October.
- The contractor is also working to complete roof repairs on Harbor Square Building 2, and the project has been going well. The number of repairs has gone beyond the initial indication, and more may be identified before the project has been completed. Staff is happy with the contractor’s progress.
- The Port conducted mandatory harassment training for all staff on January 6th, and Vickie Norris from the law firm of Anderson Hunter was the presenter. It is important for the Port to conduct this training at least every two years. The work place environment is complicated and it is important that everyone understands proper behavior and comportment.
- The Executive Director and Commissioner Block will attend a meeting on January 12th with Terry Finn, Government Affairs Representative for Burlington Northern Santa Fe (BNSF) and Stephen Clifton and Mayor Haakenson from the City of Edmonds. The City and Port’s goal is to convince BNSF that they should participate in some of the mitigation costs associated with the double tracking project. At this time, BNSF has taken the position that they are not responsible for mitigation. The group will review the scope of work and timing for the project. He noted that the City has already done some preliminary engineering on the road realignment and it does not appear it will have a significant impact on the Port’s dry storage area. Some parking stalls would be lost and the landscaping and sidewalk areas would be reduced. It is anticipated the realignment project would cost approximately \$500,000.

Commissioner Orvis questioned if Sound Transit would be responsible for any of the mitigation costs. Mr. McChesney answered that Sound Transit paid BNSF a large sum of money to make the project happen, and it is the Port and City's belief that some of this money should be used for mitigating the impacts that extend beyond the BNSF property line. Commissioner Orvis recalled that BNSF's original double tracking project required partial fill into the Sound. They were only able to obtain the permits when Sound Transit indicated their desire to use the tracks, as well.

Ms. Kempf reported that she attended a Northwest Marine Trade Association (NMTA) Boatyard Committee Meeting on January 6th where they discussed that law firm of Smith and Lawney PLLC, which represents the Puget Soundkeeper Alliance (PSA), has filed a notice of intent to sue five more boatyard facilities under the provisions of the Clean Water Act. She provided each of the Commissioners with a copy of the notice of intent. She reported that James Tupper, the attorney NMTA hired to represent the boatyards to the Pollution Control Hearings Board, was present at the meeting to share his experiences. He explained that the above mentioned law firm has been sending out five or six letters per month to boatyards since 2005. Typically, they ask for a copy of the facility's Stormwater Pollution Prevention Plan. Once they have reviewed the documentation, they make an offer to the facility, to typically settle for \$10,000 to \$15,000. Some facilities have decided it is easier to pay the settlement because they are not in compliance, but others have refused to settle.

Ms. Kempf explained that the boatyards are concerned about why certain facilities have been singled out. They have requested information from the Department of Ecology (DOE) to try and determine how the firm selects the boatyards they want to approach. She reviewed the information and found it was difficult to differentiate between the Port and other facilities that have received letters. She said she has done everything she can to insure that things are in order if the Port does receive a letter. In 2009, the Port turned in all their DMR and paperwork required by the DOE. They also met all the benchmarks required in the boatyard permit. She said she would also meet with Bob Beckman, Executive Director for PSA, to talk about what the Port has done to improve their workyard facility over the past several years.

Commissioner Orvis asked if the DOE is part of the PSA's scam. Ms. Kempf answered that she sent an email to DOE asking them to update their data about the Port with accurate information so the Port does not end up having to waste their resources and time to follow up on allegations that are based on inaccurate information. She received an email back stating that the DOE would follow up to correct the information. She pointed out that all boatyards are out of compliance at this time because they have not filed their Level 3 Responses. While the DOE has verbally indicated they are okay with this, they have not provided anything in writing to support their verbal statements.

Ms. Kempf announced that the Port would participate in the Seattle Boat Show on January 29th through February 6th. Ms. Wade is taking signups for those who are interested in participating in the Port's booth. Staff is also working with 15 other facilities on an exciting promotion called "Passport to Puget Sound." Representatives from a number of facilities started meeting in November to brainstorm ideas, and then they approached others asking them to participate. Participating facilities will hand out "bingo" cards at the boat show. As people visit the individual facilities, their cards will be stamped and small prizes will be awarded to people who get "bingo." Larger prizes will be awarded for "black out." Each of the participants has been asked to provide a large prize, and they will ask the NMTA's Grow Boating Committee to provide approximately \$12,000 to fund the program.

Ms. Kempf reported that the Port of Everett and Shilshole Marina are offering new tenants who sign a six-month lease \$1 moorage for one month and/or pay for five months and get the sixth month free. She noted that other marinas are also offering special promotions in an attempt to fill their slips. While the Port's vacancy rate is fairly good compared to many other marinas, they have increased significantly in dry storage and the under 30 foot water moorage slips. She suggested it would be appropriate for the Port to respond to the situation with some type of promotion of their own or the smaller slips would likely remain vacant for a longer period of time and even into the peak season. She said she would work with the Finance Manager to come up with a promotion program proposal that is financially feasible and legal.

Commissioner Gouge expressed concern that offering a promotional rate to new tenants could appear unfair to tenants who decided to stay at the marina during the winter months. Ms. Kempf noted that Shilshole Marina is offering a \$50 gift certificate to tenants who bring new tenants to their facility. Commissioner Orvis said it will be important that existing tenants understand that moorage rates will have to be increased if the vacancy rates do not improve. The Commission offered their support for a promotional program and encouraged staff to proceed as quickly as possible so it is in place prior to the boat show.

Ms. Ocfemia expressed her belief that what the law firm representing the Puget Soundkeeper Alliance is doing to boatyards is not right.

COMMISSIONER COMMENTS AND COMMITTEE REPORTS

Commissioner Zagorski reported on her attendance at the Woodway Town Council Meeting on January 5th where it was announced that Shoreline and Woodway are going to ask Snohomish County to put a cap on the number of units allowed at Point Wells. It was also noted that Marysville will be annexing 19,000 people so Edmonds will no longer be the second largest city in Snohomish County. The Oath of Office was administered to the Mayor and three Council Members who were reelected. It was also announced that Mr. McChesney would be present at their next meeting to provide information about the Harbor Square Master Plan.

Commissioner Zagorski announced that the Edmonds Citizens Economic Development Commission (CEDC) would provide its first required report to the Edmonds City Council on January 19th. A subcommittee of the Commission has been meeting frequently to prepare the report and presentation. She noted that the report would contain some positive recommendations related to the Port of Edmonds, which she would report on at the next Commission meeting.

Commissioner Orvis reported that he attended the South Snohomish County Cities Meeting where it was announced that their effort would focus on the Legislature and Real Estate Excise Tax (REET) funding. He noted that many cities, including Edmonds, are in financial distress, and they need the REET funding.

Commissioner Orvis advised that he attended the Snohomish County Economic Development Commission (EDC) Board Retreat and was surprised that the discussion focused on how to develop an overall umbrella organization and/or merge the EDC with the Chambers of Commerce. He noted that contributions to the EDC are down this year, and the Chambers are in the same position. The issue was discussed in a workshop session with Lynn Melby, a consultant from Cameron & Anderson, a full-service association management firm. A second workshop discussion will also be held to discuss how to move the concept forward. The lunch speaker was Kathleen Garrity, President of the Associated Builders and Contractors of Washington, who indicated there should be no difference between a non-profit's business plan and a private company's business plan. She indicated there are three things to look at when starting a project: being willing to face the brutal facts and not focus on wishes and wants, know what you do best and stick with it, and identify your passions.

Commissioner Orvis announced that the EDC's annual breakfast meeting will be January 20th. Commissioner Gouge agreed to attend the meeting to represent the Commission. Mr. McChesney announced his plan to attend, as well.

Commissioner Orvis referred to a letter each of the Commissioners received announcing that each port would be asked to provide \$1,500 to fund the WPPA's centennial project. Mr. McChesney indicated that he did not receive a copy of the letter.

Commissioner Orvis indicated he would attend Port Day at the Legislature on February 1st starting at 8 a.m. Commissioner Gouge indicated his desire to attend, as well.

Commissioner Gouge indicated he would attend the Puget Sound Regional Council's Transportation Board Meeting in downtown Seattle.

ADJOURNMENT

The meeting was adjourned at 8:45 p.m.

Respectfully submitted,

Fred Gouge
Port Commission Secretary