



PORT COMMISSION OF THE PORT OF EDMONDS

MINUTES OF REGULAR MEETING

February 26, 2018

COMMISSIONERS PRESENT

David Preston, President
Jim Orvis, Secretary
Bruce Faires
Angela Harris

STAFF PRESENT

Bob McChesney, Executive Director
Marla Kempf, Deputy Director
Tina Drennan, Finance Manager
Brittney Williams, Manager of Properties and Marketing
Karin Michaud, Office Manager

COMMISSIONERS PARTICIPATING BY PHONE

Steve Johnston, Vice President

OTHERS PRESENT

Bradford Cattle, Port Attorney
Karin Noyes, Recorder

CALL TO ORDER

Commissioner Preston called the regular meeting to order at 7:00 p.m.

PLEDGE OF ALLEGIANCE

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

CONSENT AGENDA

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

- A. APPROVAL OF AGENDA**
- B. APPROVAL OF FEBRUARY 12, 2018 MEETING MINUTES**
- C. APPROVAL OF PAYMENTS IN THE AMOUNT OF \$200,404.96**
- D. AUTHORIZATION FOR EXECUTIVE DIRECTOR TO WRITE OFF \$4,332.60 AND SEND ACCOUNT TO COLLECTIONS**
- E. APPROVAL OF NO CHARGE GUEST MOORAGE FOR CLASSIC YACHTS AT 2018 WATERFRONT FESTIVAL**

COMMISSIONER ORVIS SECONDED THE MOTION, WHICH CARRIED UNANIMOUSLY.

PUBLIC COMMENTS

Lora Petso, Edmonds, recalled that she came before the Commission in early 2018 to share some of the comments she received while campaigning for Port Commissioner. At that time, she noted that people are concerned about the

Port's use of Round Up. Although the Commission has indicated they will look into the matter, the issue has not been scheduled on their meeting agenda yet. She urged them to address this issue soon. She said she also heard a desire for more guest moorage. There are a lot of boaters in the Port District who are not permanent tenants at the Port, and they would enjoy having more opportunity for either themselves or their friends to utilize guest moorage. She understands that a report on annual operations is scheduled on tonight's agenda, and she would like the Commission to consider this request as part of their discussion.

PERSONNEL MANUAL UPDATES

Mr. McChesney reviewed that changes to the Personnel Manual were presented to the Commission on January 29th. At that time, it was noted that the Family and Medical Leave of Absence (FMLA) Section had been removed. It was explained that because the Port does not employ at least 50 people, it has no employees who are eligible for FMLA leave. Even though the Port is not required to meet FMLA, staff recommended that the Commission adopt new language in some of its existing leave policies that would provide similar benefits. The Commissioners agreed that there should be some job protection for employees who require leave for an FMLA-qualifying event. He referred to the draft policies, which have been reviewed and approved by the Port's legal counsel, and recommended the Commission approve them as presented.

Ms. Michaud briefly reviewed the proposed changes, noting that most of Section 10, which pertains to the Family and Medical Leave of Absence (FMLA) Act, was deleted. However, additional language was added to provide clarification and direction to employees who come forward with qualifying conditions under FMLA. The draft language also provides references to other policies in the Personnel Manual where additional leave benefits are outlined. The intent was to incorporate all of the various scenarios outlined in the FMLA policies into other existing policies so that all potential situations are addressed.

Commissioner Orvis said he would like the Personnel Manual to be further amended to include three weeks of paid maternity and parental leave. He pointed out that this requirement will likely become law in the near future, and implementing it now would not create an unreasonable expense for the Port. Mr. McChesney indicated support for the concept, but pointed out that, in the case of a pregnancy, an employee would also have accrued sick leave and vacation that could be used. He asked if the 3-week paid maternity or parental leave would be in addition to any vacation and sick leave an employee has accrued, and Commissioner Orvis answered affirmatively. Mr. Cattle pointed out that parental leave would apply to both mothers and fathers.

Commissioner Harris concurred with Commissioner Orvis' recommendation. Commissioner Johnston did, as well, noting that it is becoming much more common to have this coverage and it is the right thing to do for the Port employees. Commissioner Faires agreed and observed that the proposed change is consistent with the Port's Strategic Policy which calls for providing a set of benefits that are better than average so the retention rate is better than average.

Ms. Michaud informed the Commissioners that the Washington Family Leave Act (WFLA) becomes effective in January of 2020. At that time, the Port will be required to provide 2 weeks of paid parental leave. Although employers with fewer than 50 employees would be exempt from making a contribution to the pool, Port employees would be required to start contributing to the pool beginning in 2019.

Ms. Michaud pointed out that in addition to sick leave and vacation leave, the Personnel Manual also includes a provision that allows employees to seek advance sick leave or to share sick leave. The Port has done a good job of making sure people have what they need within the current policies. Commissioner Faires concurred that the Port has been a leader, and it should continue to do so by going one step further to include provisions for maternity and parental leave now. He recognized that the policies would likely have to be amended again within the next few years to address the new State requirements. He stated his belief that Port employees should be well taken care of in their benefit package.

Rather than moving forward with approval of the Personnel Manual amendments now, Commissioner Preston suggested they table the proposal until new language can be brought forward to implement the new maternity and paternal leave policy. He further suggested that it would be helpful for staff to provide a graph illustrating the different paid and unpaid leave opportunities before the Commission makes a final decision. Mr. Cattle agreed that,

rather than trying to draft language for the Commission to approve now, he would like the Commission to provide further direction so he can prepare an amendment for them to act upon at their next meeting. His understanding is that the Commission would like the Personnel Manual to include a 3-week paid parental leave. Commissioner Orvis said he would prefer a 3-week parental leave in addition to a 3-week maternity leave. The parental leave could include adoption, very sick children, etc. This change would result in a total leave of 6 weeks for a new mother.

The Commissioners agreed to table the proposal until the next meeting. Commissioner Johnston indicated he would submit a few minor edits to Mr. McChesney so they could be included in the final draft. Mr. McChesney invited Commissioners to submit any additional changes to staff as soon as possible so they could be incorporated into the updated proposal that is presented at the next meeting. Commissioner Preston asked that the draft proposal be forwarded to Commissioners prior to the meeting.

2017 PORT OPERATIONS ANNUAL ACTIVITY SUMMARY

Ms. Kempf presented the 2017 Port Operations Annual Activity Summary, noting that the report format was different this year to more clearly identify the 5-year trends. The Commissioners voiced support for the new format. Her report included the following:

- **Public Launch.** Ms. Kempf advised that the 5-year annual trend shows that one ways have remained fairly consistent, but round trips have declined. Declines in 2016 and 2017 are most likely due to fishing closures. The consistency of one-way trips may be attributed to Jacobsen's transports. A large number of transport boats use the launch and charge out one-way. That is one of the reasons the numbers have remained more consistent and even increased slightly in 2017. Commissioner Orvis asked if the 5-year trend could be closely tied to fishing closures. Ms. Kempf agreed that is likely. She said they are still waiting to see what the 2018 season will be, but she anticipates that the public launch activity will go down in correlation to the fishing season.
- **Guest Moorage.** Ms. Kempf advised that the 5-year annual trend for guest moorage is good, and the highest number of nights that boats stayed in the past 5 years was in 2017. The number of boats decreased slightly over 2016, but the numbers have stayed relatively constant over the 5-year period. There was a slightly upward trend in group reservations, but it dipped down again in 2017. With fishing closures, it is anticipated that the number of groups visiting the marina will increase. During peak fishing seasons, the Port does not take reservations for groups.

Commissioner Faires pointed out that the Port has improved its restroom facilities and is in the process of adding a new laundry facility in an effort to provide a full-service marina. He asked if the increases in guest moorage could be tied to these improvements. Ms. Kempf said she cannot draw a direct correlation between the two. However, there have been a number of Google reviews that mention the Port's facilities. Most have been very positive, but some have commented on the lack of laundry facilities. She concluded that people who like the services and facilities are more likely to become repeat visitors.

Commissioner Preston asked if there is anything the Port can do to attract guests during the off season. Ms. Kempf responded that this would be difficult during the winter months. Their best opportunity comes from yacht clubs, and yacht club groups visited the marina each of the four weekends in February. She reminded the Commission that the Tribes were heavily using guest moorage during the off season, but the upland impacts were significant. The buyers decided to go elsewhere when the Port implemented a fee for buyers.

Ms. Kempf reported that the number of boats making individual reservations is declining. This may be due to the Port's ability to accommodate more boats on a first-come-first-serve basis with guest moorage no longer being utilized by rafted fishing boats. Staff often informs customers that there is no need to make a reservation because guest moorage is wide open. Commissioner Faires voiced concern that the \$15 reservation fee is higher than any other marina he has visited. Ms. Kempf explained that the larger boats are the most difficult to get into the marina during peak times. These boat owners are willing to pay the \$15 fee to guarantee the space because they do not have as many options as the smaller boats.

Commissioner Harris referred to Ms. Petso's earlier comment about making more guest moorage opportunities available to Port District residents. She asked if the guest moorage facility is often full to where they turn people away. Ms. Kempf said that there are typically a few weekends between July 15th and September 30th when guest moorage is full and people are turned away. Staff tries to encourage permanent moorage customers to put their slips in the Loan-a-Slip Program when they are out to increase the guest moorage inventory. When permanent moorage tenants offer up their spaces, they are given a pro-rated discount on their monthly moorage fee. Although Loan-a-Slips cost more for guest boaters, they are usually willing to pay the increased cost during the busy season. She noted that there were about 62 paid nights in Loan-a-Slip during the 4th quarter. The program is becoming more popular.

Commissioner Faires also referred to Ms. Petso's comment about the need for more guest moorage opportunities for Port District Residents. If there are only a few weekends a year when the marina is full, that is a good indication that the configuration is just about right. Ms. Kempf agreed and explained that there needs to be a balance. Leasing the slips to year-round tenants brings in more revenue than leaving them open for guest moorage in case it is needed. Although there are a few times each year when the marina is full and people are turned away, it is important to maximize the utilization of inventory.

Commissioner Faires asked if it would be possible for staff to track the number of people who are turned away. Commissioner Orvis commented that while this would be interesting data, it is important to recognize that there are not a lot of options for reconfiguring the marina and there is no room for expansion. The only way to get more guest moorage space is to convert permanent moorage slips. It makes very little sense to eliminate slips for permanent tenants who stay year-round in order to have more space available for guest moorage which may or may not be utilized, and commented that the discussion might be different if they were turning people away all summer long.

Commissioner Preston said it is also important to consider that the Edmonds Yacht Club members have expressed an interest in having less guest moorage and more permanent moorage. They do not like the disruption caused by guest moorage. The permanent spaces are filled by long-term tenants who pay on a monthly basis. Guest moorage requires a separate transaction for each visitor, and the spaces would be left vacant a large percentage of the time. Ms. Drennan added that past analysis has indicated that the Port is better off leasing the spaces on a permanent basis.

Commissioner Faires pointed out that guest boaters likely spend more money in downtown businesses than the permanent tenants do. They need to balance all sides and continue to think about the economic health of both the Port and the Port District residents. Ms. Kempf pointed out that a number of Edmonds residents put their boats in guest moorage and fish for a week at a time.

Commissioner Johnston expressed his belief that the marina appears to be well balanced between permanent moorage and guest moorage if they are only turning away customers a few weekends a year.

Ms. Kempf explained that only the north and south sides of K Dock have been available for guest moorage reservations. The rest of guest moorage is offered on a first-come-first-serve basis. In 2018, the south side of K Dock and north side of J Dock will be occupied by Puget Sound Express, so the opportunity for reservations will be decreased. The Port's goal is to maximize the small amount of space they have, and the reservation number will likely go down further. Commissioner Faires said it would be interesting to know how many reservation guests are turned away because the space is full. Ms. Kempf advised that this would be very difficult to track. Commissioner Orvis commented that it would be interesting data, but it would not really change anything. Commissioner Faires suggested that if the Port received significantly more reservation requests than what could be accommodated, they could decide to eliminate the program or make more reservation space available.

- **Travelift.** Ms. Kempf advised that the travelift and sling times show steady increases over the past 5 years. The boatyard is trending upwards, as well, although there was a slight decrease in stall usage days during 2017.

- **Pressure Wash.** Ms. Kempf reported that a 5-year look at pressure wash water treatments show that Port staff completed an average of 149 treatments per year and that close to 1 million gallons of water across the pad was properly treated and disposed. She explained that the maximum daily effluent limit is the highest allowable daily discharge, and the limits are set at parts per million (mg/L). She reported that all limits for discharge into the sanitary sewer were met for all tests in 2017.
- **Boatyard.** Ms. Kempf advised that boatyard stormwater samples are also required as part of the Boatyard General Permit, which was effective August 8, 2016 and is set to expire July 31, 2021. She reported that the Department of Ecology (DOE) has established stormwater runoff benchmarks at parts per billion (ug/L) levels for both copper and zinc. The maximum daily benchmark for copper is 147ug/L and for zinc it is 90ug/L. There is a seasonal average benchmark of 50ug/L for copper and 85ug/L for zinc. To determine whether the Port met the seasonal average for the Boatyard General Permit, staff calculated the average of all of the daily discharge concentrations determined during the entire wet season (October-May). However, during the months of January, May and October, the outfall pipe was either under water due to high tides or the storm events occurred after hours so no samples were available to take. Therefore, the seasonal average values reported include a sampling event in March with copper at 31ug/L and zinc at 46ug/L. Seasonal average reported in May 2017 for copper was 43 and seasonal average for zinc was 48. The Port's sampling passed the permit requirements, which is amazing given that the Port is not using a sophisticated filtration system. Instead, we are using oyster shells in the trench drain that are changed out once per year.

Commissioner Faires said he appreciates the graphs provided in the report, which are easy to read. He asked how other boatyards in the state are doing. Ms. Kempf answered that even boatyards that have installed costly filtration systems are having a difficult time meeting the benchmarks. While she has not studied data from the DOE, there are 62 boatyards in the state, and only 10 or 12 are represented at the monthly boatyard meetings. Of those, only a few are able to meet the seasonal average benchmarks. She suggested that not only has the Port achieved reasonable success using oyster shells, it has also implemented Best Management Practices (BMPs). Commissioner Orvis said he has visited a number of boatyards in the region and found it is common for them to lay down a tarp that is used by several boats before it is taken away and disposed of. The Port of Edmonds lays down a plastic sheet, which is removed with each boat. He agreed that the Port's BMPs play a significant role in its ability to meet the benchmarks. Commissioner Faires agreed that the Port's success can be largely attributed to staff doing its job to ensure that BMPs are in place and enforced. He commended staff for doing such a great job.

Someone in the audience asked what happens to the oyster shells that are removed from the trench. Commissioner Johnston answered that they are considered problem waste that goes to a certified landfill.

- **Hazardous Waste.** Ms. Kempf reported that the largest quantities of recycled/disposed of materials are the non-contaminated oil and bilge water. She noted that the antifreeze number was significantly higher in 2016 because the vegetable oil the Port drained from the hydraulic launchers in dry storage was recorded as antifreeze.
- **Fuel Dock.** Ms. Kempf recalled that fuel prices were at their highest during the first part of the 5-year period. The annual gallons sold increased over the 5-year timeframe. Between 2016 and 2017, the total gallons sold increased by about 52,000 gallons, and the majority of the increase was due to higher volumes of unleaded fuel sold. About 18,000 gallons or 35% of the increase was related to new business from Puget Sound Express. Diesel gallons sold have nearly tripled since 2013.

Commissioner Preston asked if anyone has commented about the increased fuel costs as a result of the Port switching back to non-ethanol fuel. Ms. Kempf answered no. She noted that the price was quite high in 2013 and significantly decreased in 2015. That made the increase associated with the change in fuel less visible.

- **Water Moorage.** Ms. Kempf reported that the number of terminations annually is decreasing. The turnover ratio was at its highest in the last 5-year timeframe during 2014 and reduced by nearly 8% in 2017 to 22.26%. Financial occupancy will be reported in the Finance Manager's year-end report.

- **Waitlist History.** Ms. Kempf advised that the 5-year trend shows an increase in waitlist applicants. About 67% of in-water inventory is 32' and under, but only 18 of the 126 names on the list are for slips in these size categories. About 33% of in-water inventory is over 32'. The highest demand is in the 50' open slips with 24 names on the list.

Commissioner Faires observed that the 5-year trend mirrors the recession. To some extent, it also mirrors the good job staff has been doing to make the marina an attractive place for people to bring their boats. Over the years, the Port has become more attractive, and the work staff does at the boat show has helped, as well.

- **Dry Storage.** Ms. Kempf reported that terminations at dry storage were at their highest in 2017, increasing the turnover ratio to just over 41%. Financial occupancy will be reported in the Finance Manager's year-end report, but it appears to be 87% or about 2% less than last year. She suggested this is directly related to the fishing closures.
- **Insurance and Registration Compliance.** Ms. Kempf said the chart provided in the report shows the percentage of tenants who had current paperwork on file with the Port on the last day of the year. It is not intended to be an indicator of the number who did or didn't have current insurance or registration. Staff continues to follow up with tenants to obtain copies of current insurance and registration documents. She advised that requiring the documents before issuing tenants their parking passes seems to be a successful approach. If tenants fail to comply after several notifications, the Port may put a hold on services. It can take up to 18 to 24 months for the Port to terminate a tenant who fails to comply with the requirement.

Ms. Kempf referred to the graph that was provided to illustrate the reasons for terminations. Most (69%) are related to seasonal tenants, about 15% indicated they sold their boat, 7% left because of moorage rates, and about 6% changed marinas. Commissioner Johnston asked if other marinas have similar data, and Ms. Kempf answered that she is not sure other marinas track this type of information.

- **Security.** Ms. Kempf advised that incident reports were on the rise in 2016 and 2017, primarily related to the derelict boats and activity associated with them. The boats have since been removed and the issues have been resolved. There was a large jump in the number of courtesy notices in 2017, as well. While security staff enforces the parking restrictions, they do not typically tow a vehicle until after the 4th notice has been sent out. At that time, letters are sent out informing the tenant that the vehicle will be towed without warning if not brought into compliance. There were 6 vehicles that required letters in 2017.

HARBOR SQUARE 4TH QUARTER REPORT

Ms. Williams presented the 4th Quarter Harbor Square Report, pointing out that it was a great quarter. She specifically noted the following:

- Gross revenue was 8.1% or roughly \$36,000 greater than the same period in 2016. Occupancy rate at the end of the quarter was 93.59%, up 3.12% from the occupancy rate in the same quarter of 2016.
- There were several inquiries for the one-person office spaces that were available, and one resulted in a new lease. In total, there was one new lease and three extensions. No leases ended during the 4th Quarter.
- Tenant improvements were done in Building 6 in the form of painting and cleaning Suites 4 and 5 in preparation for new tenants.
- There were three conference room rentals.
- As far as property improvement projects, new foyer tile was installed at 180 West Dayton and 190 West Dayton. In addition, all fire extinguishers were inspected and fire alarm confidence testing was performed. The exterior entrances of all buildings were thoroughly cleaned, and the bathrooms in Building 6 were painted and new signage was added.

- The only incident to report was a roof leak at Building 1 due to a roof laceration that was created when the lid to the HVAC unit flew off during a storm. It was determined that the lid was not properly secured by the company that inspects the HVAC units, so the company paid for all repair costs.

2017 MARKETING REPORT

Ms. Williams presented the 2017 Marketing Report, highlighting the following:

- A mailing to brokers in January 2017 provided information about the Port and reminded them to send customers to the Port if they are looking for places to store boats.
- The boat show promotion was offered again in 2017, offering new tenants 1st and 12th month rent of \$20.17. There were 61 sign ups as a result of the promotion. A number of drawings were done at the 2017 boat show: 5 free consecutive days in the boatyard with a paid haul out, buy 1st night of guest moorage and get the 2nd night free, and a complimentary roundtrip launch and free calendar day of vehicle and trailer parking.
- The Port purchased a booth and participated in the Monroe Sportsman Show, sponsored by the Sno-King Chapter of Puget Sound Anglers. However, it was determined that those in attendance at the event did not fit the Port's target market. They passed out reward cards to track the effectiveness of the Port's participation, but none were turned in. The Port will not participate in the event again in 2018.
- The Port offered a number of Travelift and boatyard promotions throughout the year. Twenty-nine people took advantage of the "Roll Back the Clock" promotion, and 25 were tenants. In addition, 41 tenants took advantage of the "March on In" promotion and spent a total of 108 days in the boatyard. Six participants in the Foul Weather Bluff event took advantage of the "Sling and Wash" promotion, and 38 people took advantage of the "Travelift Discount" promotion.
- The "Public Launch" Promotion remains popular. There were 264 more paid launches in 2017 than in 2016 among those customers who redeemed reward cards, and 75 customers who redeemed at least one punch card in 2016 and 2015 returned again in 2017. The 75 returning customers also had 33 more paid launches this year over 2015.
- The Port received great feedback on the Sea Jazz Program in 2017. A variety of schools participated and Anthony's provided sponsorship, as well as complimentary meals for the musicians.
- The Destination Port of Edmonds Program is in the first of its 2-year cycle. About 490 bags were given out and 67 courtesy shuttles were provided to 150 people. The Port's material costs for the 2-year program is \$10,686.24.
- The Port participates in a variety of local publications, including the Edmonds Business Directory, Guide to Edmonds, Snohomish County Tourism Guide, Edmonds Beacon and MyEdmondsNews. The Port also participates in marina-focused publications such as the Waggoner Cruising Guide, Northwest Yachting and Northwest Sportsmen. The budgeted amount for advertising was \$8,700 and the actual cost was \$8,610.00. Commissioner Faires pointed out that the Port used to participate in guide to boating map and destination display, which seems to be popular. Ms. Kempf advised that because of cost, the Port made the decision to no longer participate.
- The Port's new social media program has been effective so far. Prior to claiming the Port's Google Plus Page there were just 40 reviews over a 7-year time period. In the months since claiming the page, there have already been 22 reviews. This additional presence significantly increased the search results. She shared a few recent reviews which were very positive.

- The Port did three main publications in 2017. The monthly newsletter goes about to about 1,100 people, and articles in the Edmonds Beacon reach a circulation of about 10,000 people. Lastly, a mailer was sent out to over 26,000 people. Commissioner Harris asked if the Port intends to do another mailer in 2018. Ms. Williams answered that this decision would be made by the Communications Committee, and she has some good ideas to bring to the discussion.
- A big project in 2017 was the Port of Seattle Tourism Promotion Grant Project. The purpose of the project is to promote local whale watching and Edmonds as a tourist destination. The 2017 funding was used to create the video that will be used for advertising and on the website. Phase 2 of the project will be the actual advertising in 2018.
- The Port provided support and/or sponsorship for a number of community events, including the Waterfront Festival and Classic Yachts, Edmonds Arts Festival, Bird Fest, Tall Ships and Holiday on the Docks.

Commissioner Preston commented that he appreciated that staff made adjustments when they discovered that the Monroe Sportsman Show was not panning out.

EXECUTIVE DIRECTOR'S REPORT

Mr. McChesney asked the Commission to reschedule their retreat that was originally set for March 26th to give staff more time to prepare the needed information. After a brief discussion, the Commission decided to schedule the retreat for April 16th as a special meeting. The April 9th regular meeting would be cancelled. Mr. McChesney reminded the Commission that discussion items will include a review of the Cash Flow Model assumptions, environmental stewardship and economic development. The Commissioners agreed to begin discussing the agenda items at their next meeting in order to provide staff sufficient direction to prepare for the retreat.

Mr. McChesney reported that he attended the Edmonds Economic Development Commission meeting on February 21st. Most of the meeting was spent on a roundtable discussion and reports from committees. There was nothing specific to report to the Commission.

Mr. McChesney announced that the public restroom project near Marina Operations should be completed by the end of the week. However, punch list items will likely extend into next week. He also announced that the parking lot renovation project is about 90% complete. Only signage and bollards are needed to complete the work. He advised that the Port is still waiting on a permit from the Washington State Department of Transportation to begin the SR-104 and Dayton Street landscape project. He expects to have the permit in hand within the next few weeks, and the goal is to start the project in the spring.

Ms. Kempf announced that the Northwest Marine Trade Association Marina and Boatyard Conference is scheduled for October 25th and 26th at the Semiahmoo Resort. She also advised that an update was sent out to dry storage tenants thanking them for their feedback regarding the 2018 operational changes and announcing the following offerings:

1. Water, lights and gates will be installed on A Dock.
2. Dry storage operations will begin at 5 a.m. for the duration of the summer King season.
3. Valued, long-term tenants (12 months of continuous tenancy) can claim their choice of reward for either "one free round trip public launch" or "one free night in guest moorage" with proof of purchase of 50 gallons of fuel from the Port's fuel dock.

Ms. Kempf said the update also advises that the Port will do everything possible to provide the highest level of service to all dry storage tenants. It specifically thanks them for their patience as the Port rolls out the new protocols on April 1st and invites them to reach out to the Marina Operations Team with any questions.

COMMISSIONER'S COMMENTS AND COMMITTEE REPORTS

Commissioner Orvis reported that he and Commissioner Preston attended the Economic Alliance of Snohomish County's (EASC) Economic Forecast event, which was excellent. The keynote speaker was Steve Holland from the

University of Washington Bothell, who has a wide resume of national service. The theme of his speech was “Economic Growth: Do We Have the Capacity?” It centered on how to get more people into the workforce. With an aging workforce and low civilian unemployment, they do not have much capacity to increase the economic output unless they bring new people into the workforce and increase productivity. The Director of External Relations at Alaska Airlines gave the closing speech, and the remaining speaker was Dr. Spencer Cohen from the Community Attributes Group that studies where they really are at now economically. He reported that Snohomish County is one of the most trade-dependent counties in the nation. About 20% of all jobs are export jobs. The forecast is that Boeing will expand, but they do not yet know where the new airplane will be built. Regardless of whether it is built in Snohomish County or not, a large percentage of the parts will be made in Snohomish County and the Puget Sound region. It is anticipated that employment will go up and that the foreign and overall United States market will remain stable. If there is a recession, it will not likely have much impact on the Puget Sound Region. The intent of the EASC is to work within the region to bring jobs to the Pacific Northwest, but make sure they know Snohomish County is the preferred location.

Commissioner Orvis provided a brief legislative report that included the following:

- The Legislature recently determined that it is impossible for them to be productive if people know what they are doing so they passed an emergency bill exempting themselves from the Public Records Act requirements. This action will enable them to continue to work in their own best interest.
- The State Tourism Bill has been moved out of the House and Appropriations Committee. It features a tax on lodging, rental cars and restaurants. Funding would be limited to \$2.5 million and requires matching dollars. It is not likely that the carbon tax will pass this year.
- Legislation was passed to limit the prevailing wage calculations to the county in which a jurisdiction is located. This will be a significant benefit to ports outside of the Puget Sound region.
- The unit pricing and bid threshold legislation was combined and the House Capital Budget Committee voted positively. The two pieces of legislation appear to be successfully moving towards approval. He complimented Ms. Drennan on getting the legislation prepared and moving forward.

Commissioner Harris reported that she and Commissioner Johnston met as the Environmental Committee to discuss a number of topics. She has also had conversations with representatives from the Edmonds Yacht Club as she begins to engage as the Port’s liaison. She also had a tour of the Port facility with Ms. Kempf. She shared how the Port works hard to implement Best Management Practices, and they discussed the best way to inform the public of this effort.

Commissioner Johnston advised that he and Commissioner Harris (Environmental Committee) would continue to work together to prepare concepts for the Commission to consider at their retreat.

Commissioner Preston announced that former Port Executive Director, Chris Keuss, passed away recently.

Commissioner Preston suggested that the Communications Committee (Commissioners Preston and Harris) should meet soon with Ms. Kempf and Ms. Williams. He also reported on his attendance at the EASC Economic Forecast event. He said it was interesting to see that people are generally excited about having flights out of Paine Field soon. Lastly, he reported that he attended Mayor Earling’s State of the City Address, which was well done.

ADJOURNMENT

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

Respectfully submitted,



DAVID PRESTON

FOR Jim Orvis

Jim Orvis
Port Commission Secretary