



PORT COMMISSION OF THE PORT OF EDMONDS

MINUTES OF SPECIAL MEETING

July 31, 2017

COMMISSIONERS PRESENT

Fred Gouge, President
Steve Johnston, Secretary
Bruce Faires

STAFF PRESENT

Bob McChesney, Executive Director
Marla Kempf, Deputy Director
Renaë Ebel, Administrative Assistant

OTHERS PRESENT

COMMISSIONERS ABSENT

David Preston, Vice President
Jim Orvis

CALL TO ORDER

Commission President Gouge called the regular meeting to order at 9:00 a.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 JUNE 26, 2017 MEETING MINUTES**
- C. APPROVAL OF PAYMENTS IN THE AMOUNT OF \$2,920,943.43**

COMMISSIONER JOHNSTON SECONDED THE MOTION, WHICH CARRIED UNANIMOUSLY.

PUBLIC COMMENTS

Darrol Haug, Edmonds, asked that his name be spelled correctly in all future meeting minutes. He said he was present to urge the Commission to post on line the same quarterly financial reports that are provided to them. This would allow the public to have a clear understanding of how the Port is doing in relation to the budget projections. This one action would clear up many of the issues he has presented previously.

The Commissioners receive a quarterly report that tracks revenues and expenses by category, and this same information should also be posted on the Port's website for the public to view. Simply posting the quarterly report would allow the public to see all of the information rather than waiting for constituents to ask questions.

Mr. Haug also asked how tax dollars are being used. He noted that Commissioner Gouge shared with him that since 2011, the \$400,000 in property taxes has been allocated \$50,000 to the public launcher, \$150,000 to Commission costs, and \$200,000 to Harbor Square capital improvements. The \$1.7 million of combined net income includes the \$400,000; and without taxes, the Port would still be posting a net income of more than \$1.3 million.

Mr. McChesney pointed out that the Port has not had any audit findings for as long as he has been at the Port, and likely going back 20 to 30 years. The Port's financial records are reviewed by the State Auditor, and there has never been a problem. He suggested that Mr. Haug's concerns might have more to do with interpretation.

Commissioner Faires thanked Mr. Haug for showing up at the meetings to comment. We encourage people from the outside look at the budget and provide comments. He agreed that it would be appropriate and simple to post the quarterly reports on the Port's website. If there are discrepancies, he encouraged Mr. Haug to share this concerns with staff. Independent eyes are useful. Mr. McChesney agreed to meet with Mr. Haug at his convenience.

Commissioner Gouge commented that during his 18 years as a Commissioner, the Commission has worked diligently to make the financial statements very readable and available to the public.

HARBOR SQUARE PAVING CONTRACT CHANGE ORDER

Mr. McChesney reviewed that the Commission approved a contract with Superior Asphalt Maintenance Inc. on June 26th to repair specified sections of pavement at Harbor Square. The contract amount was \$32,144.40 plus Washington State Sales Tax. The contract specifications identified two areas of work, and the project commenced on July 26th for work in Area 1. The work required removal of the deteriorated pavement section to be replaced with a new layer of asphalt after necessary subgrade compaction. However, the removal operation revealed the subgrade was also deficient. There was no crushed rock ballast beneath the original asphalt layer. Instead, the original developer had paved over bare dirt. This partially explains why the pavement is failing. The remedy to correct what would appear to be a design flaw is to add a 3-inch layer of crushed rock base material, which staff directed the contractor to do. This also required additional demolition haul off. Superior Asphalt submitted Change Order 1 in the amount of \$6,900 plus tax. The work in Area 2 commenced on July 28th, and the subgrade in this area also proved to be defective from its original installation. Change Order 2 was submitted by the contractor in the amount of \$7,749 plus tax.

Mr. McChesney advised that the work has been completed, and the contractor did a fine job. The project validates the Port's strategy of doing larger sections rather than fixing potholes. Staff is pleased with the results of the project, and he recommended the Commission approve the two change orders for a total amount of \$16,157.85.

COMMISSIONER JOHNSTON MOVED THAT THE COMMISSION APPROVE CHANGE ORDERS 1 AND 2 FOR ADDITIONAL SUBGRADE WORK BY SUPERIOR ASPHALT REPAIR IN THE AMOUNT OF \$16,157.85 AS PRESENTED. COMMISSIONER FAIRES SECONDED THE MOTION.

Commissioner Johnston commented that, in the course of remediating the lower portion of Harbor Square many years ago, his firm found the same conditions to exist throughout the site. That, linked with the fact that most utilities were only about 1 foot underground rather than the customary 3 to 4 feet underground, suggested that the developer at the time knew of the contamination and did some shortcutting. Fortunately, the lower portion of the site has been taken care of, including replacement of utilities. However, he felt the Port would encounter the same situation going forward and should budget accordingly. Mr. McChesney concurred, noting that paving would be done at Harbor Square every year.

Commissioner Gouge said he is also disappointed in what the initial developer did, but the Port must move on. Now they know what the costs will be going forward, and the budget can be adjusted accordingly. He said he supports doing the work in larger areas rather than continuing to fill potholes and address immediate problems. Commissioner Faires added that this approach is particularly important given what the Port knows about the subgrade. Commissioner Johnston asked if staff is seeing degraded pavement progressively elsewhere at this time. Mr. McChesney said there is a lot out there, but only so much can be done at one time. He suggested that the 2018 budget for paving will need to be increased to account for the existing circumstances.

Commissioner Gouge asked if the Port does safety marking around bad areas. Mr. McChesney said the Port has a program to identify cracks and faults on sidewalks. They are identified with yellow paint. Rather than removing concrete sidewalks to address problems, the intent is to use the same technique used by the City, which is to grind the sidewalk down to eliminate the hazard.

THE MOTION CARRIED UNANIMOUSLY.

AWARD OF CONTRACT – DOCK FLOTATION REPAIR (NUMBER 2017-271)

Mr. McChesney recalled that the Commission was previously briefed on marina dock maintenance issues, one of which is the flotation buoyancy on several docks from the Fuel Dock to V Dock. Staff identified five areas for flotation correction and published an invitation to bid on July 1st. A pre-bid walkthrough of the project was conducted on July 7th with three attendees. Staff received and reviewed three qualified bids on July 27th, and the low bidder was Neptune Marine LLC for a base bid of \$60,000. Work will be completed by October 31st, and staff will work with the contractor to minimize the disruption to tenants during flotation correction. He recommended the Commission authorize him to enter into a contract with Neptune Marine LLC in the amount of \$60,000 plus sales tax. He provided a map to identify the areas where the work will be done.

COMMISSIONER FAIRES MOVED THAT THE COMMISSION AUTHORIZE THE EXECUTIVE DIRECTOR TO ENTER INTO A CONTRACT WITH NEPTUNE MARINE LLC IN THE AMOUNT OF \$60,000 PLUS SALES TAX FOR THE BASE BID FOR THE DOCK FLOTATION REPAIR CONTRACT (NUMBER 2017-271). COMMISSIONER JOHNSTON SECONDED THE MOTION.

Commissioner Faies said he supports the project in the context and strategy of ongoing maintenance. The project should not be a surprise to anyone, and he absolutely endorses the strategy of fixing problems when they are small. They can expect more of these types of projects as time goes on. It is part of doing an exemplary job of maintenance as opposed to waiting for things to get bad and then projects cost a lot more.

Commissioner Gouge noted that these are the older floats that were not replaced when the marina collapsed in 1996. The Commission promised boaters that money would be put back in the marina. This is a good use of Port funds, and addresses a safety issue. It is important to do necessary maintenance to extend the life of the floats, because cost of total replacement is tremendous. He asked what the new floats would be made of, and Mr. McChesney responded that they would be air ballasts constructed of high-strength plastic. Commissioner Johnston said he is pleased to hear that this issue is in the old floats, and that the newer features are not failing. Commissioner Faies pointed out that there will still be a few old floats.

THE MOTION CARRIED UNANIMOUSLY.

AWARD OF CONTRACT – RESTROOM RENOVATION PLANS (NUMBER 2017-272)

Mr. McChesney recalled that the Commission authorized the installation of two new stand-alone restrooms last year, one with a shower facility. The project was completed and the facility is operating well. He reminded the Commission that, as per the Shoreline Permit, the Port is required to keep a restroom open to the public, which it has done using the existing restrooms at Marina Operations. In April of 2017, staff suggested that the Port renovate the existing public restrooms, using one for a restroom facility and the other for a laundry facility/storeroom. Staff is now recommending that NAGELsport LLC be authorized to proceed with the renovation design, permitting and architectural services for the two existing restrooms. The project will not likely start until October or November, after the Port's busy season. The goal is to get the design work done, obtain a building permit, and the project bid so it can start in the fall. A building permit from the City of Edmonds will be required, but not a Shoreline Permit. He said the goal is to have the project completed by the end of February 2018.

Mr. McChesney said NAGELsport has submitted a proposal in the amount of \$12,500, and he recommended the Commission approve the contract as presented.

COMMISSIONER JOHNSTON MOVED THAT THE COMMISSION APPROVE THE CONTRACT WITH NAGELsport LLC FOR DESIGN, PERMITTING AND ARCHITECTURAL SERVICES AND TO

OBTAIN A CITY OF EDMONDS PERMIT AS PER THE PROPOSED SCOPE OF WORK FOR RESTROOM RENOVATION AT 458 ADMIRAL WAY. COMMISSIONER FAIRES SECONDED THE MOTION.

Commissioner Faires requested more information about the cost of the contract. Mr. McChesney said NAGELsport has not done a lot of public sector work, and the proposal they submitted requested a retainer and an hourly. He asked them to resubmit the proposal using a not-to-exceed budget. Commissioner Faires asked if the contractor would bill for actual hours, and Mr. McChesney answered affirmatively. Commissioner Faires asked if the cost of the contract would be paid in 2017 or 2018. Mr. McChesney said construction is not likely to start until January or February, but this contract would be paid for in 2017.

Commissioner Gouge asked if the contract would have a pre-construction meeting with the City to learn about all of the permit requirements. Mr. McChesney answered that because the project would occur within the existing walls, it would be considered a tenant improvement project. Commissioner Johnston asked if there are new requirements for signage related to restroom facilities. Mr. McChesney said he is sure that is the case, and NAGELsport should have the information needed for the project to be fully compliant with all of the code requirements. He noted that, not only will the project result in new restroom facilities for the public, but there will also be a laundry facility for guests. Currently, the closest laundry facility is on 196th, which is a disadvantage to visiting boaters. Commissioner Faires said he supports the addition of a laundry facility, which is a standard expectation of a full-service marina.

THE MOTION CARRIED UNANIMOUSLY.

EXECUTIVE DIRECTOR'S REPORT

Mr. McChesney reported that staff is working on the Labor Day Mailer, and the Communications Committee will meet on August 2nd to talk about the communications plan and strategies moving forward. Last week, the Port hired a professional photographer to provide a new aerial photograph of the Port. Some fine pictures have been provided, including the Jacobsen Marine Building and the Chilkat Express on its way out. Commissioner Faires commented that, in the course of doing business, the old aerial photographs will remain useful.

Mr. McChesney announced that staff is planning to provide the Commission with a full report on the Recycling Program in September. The report will identify some of the current challenges, as well as the Port's current program and new concepts to consider. The report will also include information on how the Port currently disposes of hazardous waste products and how it strives to use eco-friendly products in its daily activities as much as possible.

Commissioner Gouge said he was recently at the Mountlake Terrace Transfer Station, where he was instructed to dump his yard waste in with all the regular garbage. It is no longer separated. He said it would be interesting to find out if this will be a continuing policy.

Mr. McChesney advised that the Commission will provide a report to the Commission's second meeting in August regarding the Comprehensive Operations Analysis. The intent is to describe how Marina Operations works and identify some of the issues, challenges and recommended remedies.

Regarding the issue of pesticides and herbicides, Commissioner Johnston noted that *THE SEATTLE TIMES* has recently come down hard on the City of Seattle's Parks Department for not responding the way they said they would regarding these issues. The staff's report at the second meeting in August will be very timely.

Ms. Kempf announced that Chinook fishing closed in Area 9 on July 31st. It was supposed to be open until August 31st or until the quota was met. As of Friday, 4,642 fish or 83% of the total fish quota had been caught. People will still be allowed to fish from the shore until August 31st. Area 10 was recently changed to allow people to keep two Chinook per day beginning on July 29th. To date, 227 fish had been caught in Area 10, and the quota is set at 2,166.

COMMISSIONER'S COMMENTS AND COMMITTEE REPORTS

Commissioner Johnston reported that he attended the Sierra Club's Save Our Marsh Picnic, which was extraordinarily valuable. He was pleased with the warm reception given to him and the other candidates who attended. He received two requests that the Port should work with the City to provide marsh signage off of Dayton. He felt this was a great idea for the Port to pursue. He heard no negative comments about the Port's interaction with marsh issues, except one speaker. He is in the process of preparing a "set the record straight" letter to correct some fairly strong and misleading allegations about the Port's involvement with the marsh over the years. He said he made the message clear that the Port respects the marsh and has taken care of it over the years. As citizens of the Port District, the Commissioners believe it is an important asset, as well.

Commissioner Johnston reported on his attendance at the Washington Public Port Association's (WPPA) Commissioners Seminar at Alderbrook. It was very informative, particularly in the area of what ports can and cannot do from a legal standpoint. He said he believes the marsh will continue to be an issue. Although the Port has already done a lot to protect the marsh, there may be some limited additional things it could do; but typically, it is tied to economic development. Mr. McChesney announced that, just last week, the Port issued a right of entry permit to Earthcorp to continue their volunteer effort to remove invasive species and plant native species at the marsh.

Commissioner Gouge read a letter from the Washington State Finance Officers Association to Mr. McChesney, announcing that Tina Drennan was awarded the Professional Finance Officer Award. The award requires ongoing educational and professional excellence on the part of each individual and is not automatically awarded. The letter stated that Ms. Drennan is committed to achieving educational and professional excellence as acknowledged in the receipt of the award for the past 12 years. Commissioner Gouge commended Ms. Drennan for receiving the award and requested that a note be placed in her file.

Commissioner Gouge agreed that the WPPA Commissioners Seminar was well done. He particularly enjoyed the report provided by the Port of Sunnyside. They were able to bring in Ostrom Mushrooms, which will create 200 new full-time jobs with benefits. They ended up lowering the price of the land after considering the fiscal impacts that Ostrom Mushrooms would provide to the community. The Port of Sunnyside does not have an economic policy, and each proposal is considered on a case-by-case basis. Ostrom Mushrooms was a win-win for a community that does not have a lot of opportunities for economic development. The Port of Walla Walla has a policy on economic development, but it allows the commission to stray from the policy, if needed. He suggested the Port consider creating an economic policy, as well, to provide guidelines for future economic development opportunities. At the meeting, commissioners were invited to provide suggestions to the WPPA Board as to where it should go in the next few years. This involved a lengthy discussion on two occasions.

Commissioner Gouge advised that, at the Commissioners Seminar, the Port of Kingston indicated an interested in learning more about how the Port of Edmonds does its Cost Recovery Program. There was also discussion about how smaller ports are having a difficult time providing insurance to their employees, and the concept of group association insurance was brought forward as a possible option.

ADJOURNMENT

The Commission meeting was adjourned at 9:52 a.m.

Respectfully submitted,



Steve Johnston
Port Commission Secretary