



PORT COMMISSION OF THE PORT OF EDMONDS

MINUTES OF REGULAR MEETING

June 27, 2016

COMMISSIONERS PRESENT

Bruce Faires, President – by phone
Fred Gouge, Vice President
Jim Orvis, Secretary
David Preston
Steve Johnston

STAFF PRESENT

Bob McChesney, Executive Director
Tina Drennan, Finance Manager

OTHERS PRESENT

Bradford Cattle, Port Attorney
Karin Noyes, Recorder

CALL TO ORDER

Commissioner Orvis called the regular meeting to order at 6:30 p.m. The regular meeting was immediately recessed into an executive session.

EXECUTIVE SESSION

The Commission conducted an executive session to discuss with legal counsel a real estate land use matter per RCW 42.30.110(i). The executive session concluded at 7:00 p.m., and the Commission reconvened the regular session at 7:00 p.m. No announcement or action resulted from the executive session. Commissioner Faires left the meeting 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 PRESTON MOVED THAT THE CONSENT AGENDA BE APPROVED TO INCLUDE THE FOLLOWING ITEMS:

- A. APPROVAL OF AGENDA**
- B. APPROVAL OF JUNE 13, 2016 MEETING MINUTES**
- C. APPROVAL OF PAYMENTS IN THE AMOUNT OF \$236,097.65**
- D. APPROVAL OF REID MIDDLETON PLANNING SERVICES – PRE-APPLICATION PROCESS FOR NEW MARINE TRADE BUILDING**

COMMISSIONER GOUGE SECONDED THE MOTION, WHICH CARRIED UNANIMOUSLY.

PUBLIC COMMENTS

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

HARBOR SQUARE ASPHALT REPAIR CONTRACT

Mr. McChesney reviewed that the Port conducted a condition survey of the Harbor Square Business Complex approximately four years ago, which identified a number of maintenance issues that needed to be addressed. One, in particular, is the pavement. He said he does not foresee a circumstance in which the Port would ever complete an overlay of the entire Harbor Square site because it would be cost prohibitive. Therefore, it is necessary to have a maintenance program in place to identify and repair pavement as needed. The 2016 Capital Budget allocated \$47,000 for road repairs, and staff has identified several areas for repair. He advised that on June 8th, a formal bid invitation was sent to appropriate Municipal Resource Service Center (MSRC) roster vendors and published in *THE EVERETT HERALD*. A pre-bid walkthrough of the project was conducted on June 14th with seven attendees, and staff received and reviewed six qualified bids on June 22nd. The low bidder was Rainier Asphalt Sealing LLC for a base bid of \$17,346.59. He referred to the bid tabulations that were attached to the staff report. He explained that the wide range of bids can be attributed to contractors having different methods and equipment.

Mr. McChesney summarized that, as per the proposed contract, work will be completed by September 2nd, and staff will work with the contractor to minimize the disruption to tenants during installation. He recommended that the Commission authorize him to enter into a contract with Rainier Asphalt Sealing LLC in the amount of \$17,346.59 plus sales tax for a base bid for the Harbor Square Asphalt Repair Contract 2016-243.

Commissioner Gouge observed that while two of the six bids were substantially higher, the other four bids were within 10% of each other. He said he would question the low bid if all of the other bids had come in much higher, but that was not the case. He said he feels comfortable with going forward as recommended by staff. He asked if staff has had any experience working with the contractor, and Mr. McChesney answered no.

Commissioner Johnston said that when the bids are all close, it is typical to seek more information about the companies. He asked if staff has a sense that one company would perform better in the public sector than the others. Mr. McChesney said staff does a fair job of due diligence in checking references. He noted that the project is smaller in size, so the bidders were smaller rather than larger companies. He said he feels comfortable that Rainier Asphalt Sealing LLC is capable of doing the work as per the contract. The most important aspect of the project is to build the subgrade properly and get the right compaction. Otherwise site drainage can be a problem. He said staff was careful to develop the specifications to make sure they got the right paving sections.

COMMISSIONER GOUGE MOVED THAT THE COMMISSION AUTHORIZE THE EXECUTIVE DIRECTOR TO ENTER INTO A CONTRACT WITH RAINIER ASPHALT SEALING LLC IN THE AMOUNT OF \$17,346.59 PLUS SALES TAX FOR THE BASE BID FOR THE HARBOR SQUARE ASPHALT REPAIR CONTRACT. COMMISSIONER JOHNSTON SECONDED THE MOTION, WHICH CARRIED UNANIMOUSLY.

HARBOR SQUARE HVAC CONTRACT

Mr. McChesney announced that the Port recently signed a new lease for a tenant to occupy space in Building 4. This space has been vacant for some time, and the HVAC unit is currently in a non-working condition. Tenant improvements are underway to prepare for a July 1 move in date, and the nonfunctioning HVAC unit needs to be replaced as part of this work. Staff sent out a formal bid invitation to appropriate MRSC roster vendors on June 7th and conducted a pre-bid walkthrough of the project on June 10th with 7 attendees. Port staff received and reviewed two qualified bids on June 20th and the low bidder was D.K. Systems, Inc. for a base bid of \$14,725. He noted that D.K. Systems is also the contractor that performs maintenance on the Port's HVAC units.

Mr. McChesney advised that, as per the contract, work shall begin promptly in anticipation of a new tenant occupying the suite on July 1st, and staff will work with the contractor to minimize the disruption to tenants during installation. He recommended that the Commission authorize him to enter into a contract with D.K. Systems, Inc. in the amount of \$14,725 plus sales tax for the base bid for the Harbor Square Building 4 HVAC Contract 2016-244.

Mr. McChesney referred to the bid tabulation that was attached to the Staff Report and noted the wide spread between the two bids. He explained that, with remodel projects, many of the other HVAC contractors are not familiar with the Port's systems and want to include more things than what the Port is asking for. D.K. Systems,

Inc. has been working with the Port for 10 years and knows the Port's system well. He reminded the Commission that the Port has had a program of replacing HVAC units each year, and the strategy has been based on when the spaces become occupied and generate revenue to support the improvement.

COMMISSIONER JOHNSTON MOVED THAT THE COMMISSION AUTHORIZE THE EXECUTIVE DIRECTOR TO ENTER INTO A CONTRACT WITH D.K. SYSTEMS, INC. IN THE AMOUNT OF \$14,725 PLUS SALES TAX FOR THE BASE BID FOR THE HARBOR SQUARE BUILDING 4 HVAC CONTRACT 2016-244. COMMISSIONER GOUGE SECONDED THE MOTION, WHICH CARRIED UNANIMOUSLY.

COMMISSIONER COMPENSATION

Mr. McChesney reviewed that, at their June 13th meeting, the Commission discussed per diem compensation and directed staff to return with a resolution and updated procedures. He referred to Resolution Number 16-05, which was updated to include Item I. Since the resolution was drafted, additional Commissioner comments have resulted in Items J and K, as well.

- I. When attending a meeting relating to issues of interest to the Port of Edmonds; or*
- J. When a Commissioner is meeting with groups or other organizations to discuss the Port or Port business; or*
- K. The President shall review all Commissioner compensation requests; when the President is not available, the Vice President shall review compensation requests.*

Mr. McChesney advised that, in addition to the draft resolution, staff has updated the procedures to reflect that Commissioner claims for compensation and expenses shall go through the Commission President. The corollary is that the President's reimbursement applications would be reviewed by the Vice President. He stressed that the proposed resolution is intended to be housekeeping to update a policy that had elements that were no longer valid. The intent is to have the proper guidelines in place going forward. He recommended that the Commission approve Resolution Number 16-05.

Commissioner Preston suggested that perhaps Items G and J could be combined. Commissioner Gouge explained that the purpose of Item J is to clarify that Item G is related to meetings with governmental agencies and/or organizations, and Item J is related to meetings with non-governmental organizations.

Mr. McChesney clarified that Item K, as well as the updated procedures, would not circumvent internal audit review. While it takes the preliminary review out of staff's hands, staff is still duty bound to review the applications, as well.

Commissioner Orvis suggested that Procedure 6 should be amended to make it clear that, if there is a disagreement between the Commission President and the Executive Director, the Commission President would have the final say. The remainder of the Commission agreed to add an additional sentence at the end of Procedure 6 to read, "*Final determination will be made by the Commission President, with an explanation and communication to the Commissioner who submitted for reimbursement.*"

The Commission requested that the procedures be updated as discussed and that the procedures and Resolution Number 16-05 be presented to them for final approval on the Consent Agenda of their next meeting.

EXECUTIVE DIRECTOR'S REPORT

Mr. McChesney reported that the site survey of Harbor Square to delineate the property boundaries from the Edmonds Marsh has been completed. The report is now in draft form, and the consultant, Reid Middleton, has installed steel pipes along the property lines to identify the boundaries. He reported that he has visited the property with most Commissioners to view the results of the survey.

Mr. McChesney said the next project is to overlay the site survey with the wetland map. He explained that there is a tendency to think the border of the marsh and the property line are the same, but that is not the case. He emphasized that the boundary of the Harbor Square property needs to be memorialized on the survey map. He concluded that the survey was timely and well done and quite revealing in some aspects.

Mr. McChesney reported that the Port has initiated the Shoreline Permit process for the vacant property near the workyard. The intent is to obtain the necessary permits for a boat dealership, marine retailer, or marine repair facility to be located on the property. The first step is to have a pre-development meeting with City staff so they can identify what is needed for the application to be considered complete. The meeting could occur as early as July 7th. He noted that Reid Middleton is assisting staff through the permit process.

Commissioner Gouge asked if the permit would also address the property on the north side of Jacobsen's Marine. Mr. McChesney answered no. He explained that he does not believe it would be workable to do permitting for both properties at the same time. As much as the Port's concept anticipates that this property will be developed at some point in the future, he felt that pushing through permits for both parcels at the same time would fail to gain the needed support from the City.

COMMISSIONER'S COMMENTS AND COMMITTEE REPORTS

Commissioner Gouge reported that he presented scholarships to the youth artists at the recent Edmonds Arts Festival. He recalled that the youth program was funded via a \$1,000 stipend from the Port of Edmonds and 20 fine students received the awards. He said he was impressed with the young artists and finds great value in the program, and he will continue to support the Port's partnership with the festival. He said he also spoke with former Port Commissioner, Ken Reid, who works hard as a volunteer at the Edmonds Arts Festival, about potential opportunities to include youth artists in the Port's Artists in Action Program at the waterfront.

Also, while at the Edmonds Arts Festival, Commissioner Gouge reported that he talked with an Edmonds resident who makes beautiful cedar kayaks and paddleboards and sells them on Craigslist and at the Edmonds Summer Market. However, he made it clear that he was not interested in participating in the Waterfront Festival. Commissioner Gouge voiced concern that local crafts people do not want to pay the booth fees for the event. He suggested the Commission have a discussion with the festival sponsors to determine how they can gain more participation from local artists.

Commissioner Gouge announced that he would attend the Washington Public Port Association (WPPA) Commissioner's Seminar on August 1st through 3rd at Alderbrook Lodge in Union.

Commissioner Johnston reported that he had the opportunity to participate in the Edmonds Arts Festival as a volunteer. Both visitors and vendors seemed pleased with the event. He suggested that any way the Port can stay involved in the festival would be advantageous to the community. It is one of the top festivals on the West Coast.

The Commissioners decided to cancel the first meeting in July, and the second meeting in July would be scheduled for "accounts payable" only.

Commissioner Orvis said he has been busy over the past several weeks with his volunteer work for the Edmonds Arts Festival. He commented that Mr. McChesney and Commissioner Johnston volunteered a significant amount of time helping to transport people to and from the festival. He reported that the festival was a resounding success. They transported 2,000 people on school buses. Although Saturday was difficult due to rain, Friday and Sunday were exceptionally strong. As many as 100,000 people have attended past festivals, and he wouldn't be surprised to learn that that there were even more at the 2016 festival. He noted that there were over 750 vendors and artists at the festival, which is run entirely by volunteers.

Regarding Commissioner Gouge's concerns about the Waterfront Festival, Commissioner Orvis recalled that a number of years ago, Rotarians participated in the festival. That is no longer the case, as the purpose of the event has focused more on raising funds for scholarships. It appears that the Rotary Club is not interested in the value of the festival beyond how much money it brings in. While he is not necessarily withdrawing support for the festival, the Port Commission should put substantial pressure, not just on the individual in charge of the festival, but on the

Rotary Club, itself. They need to develop a stronger goal that they must do something better. He reminded the Commission that representatives of the Rotary Club are supposed to meet with Commissioners within 30 days following the festival.

Commissioner Orvis announced that the Port is having a farewell party for Ms. LeBlanc on Thursday.

Commissioner Preston announced that he would attend the WPPA Commissioner's Seminar on August 1st through 3rd at the Alderbrook Lodge. He also plans to attend the WPPA Fall Environmental Seminar at Sun Mountain Lodge in Winthrop on September 29th and 30th. Commissioner Orvis said he plans to attend the WPPA Fall Environmental Seminar, as well. It was noted that if three or more Commissioners attend the event, it must be advertised as a meeting.

Commissioner Preston reported that he recently viewed the site boundary markers that were installed by the consultant around the Harbor Square property. He said it was eye opening to see how far the markers extended into the marsh.

Commissioner Preston said he also attended the Edmonds Arts Festival. In particular, he attended the Patron's Party that was held the Wednesday before the event, where he spoke with Jean Hernandez, President of Edmonds Community College, about the Port's desire to encourage youth in boating. She indicated that the college has marine-related programs that reach out to middle and high school programs. He said he looks forward to future discussions with her about these programs.

Commissioner Preston pointed out that the Edmonds Arts Festival was a very successful event, even without a beer garden. Although beer was served in a small plaza area, it was not considered a primary revenue generator. He concluded that it is possible to have a festival in Edmonds that is profitable, with music and without the beer garden.

Commissioner Preston announced that he would meet with representatives from the Rotary Club next week to discuss the Waterfront Festival. He will suggest that they consider a different fee schedule for non-water-related activities versus water-related activities.

Commissioner Gouge asked when the Commission would begin discussions relative to the 2017 budget. Mr. McChesney answered that the budget process does not usually start until the first part of August. It typically starts with a review of the Port's Strategic Plan, which frames the discussions. The budget discussions will carry into September when staff presents the draft Capital and Operating budgets. Commissioner Gouge suggested it would be appropriate for the Commission to have a workshop discussion before the budget process gets underway.

ADJOURNMENT

The Commission meeting was adjourned at 7:50 p.m.

Respectfully submitted,



Jim Orvis
Port Commission Secretary