

PORT COMMISSION OF THE PORT OF EDMONDS

MINUTES OF REGULAR MEETING

July 12, 2010

COMMISSIONERS PRESENT

Jim Orvis, Vice President
Fred Gouge, Secretary
Bruce Faires
Marianne Zagorski

COMMISSIONERS ABSENT

Mary Lou Block, President

STAFF PRESENT

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

CALL TO ORDER

Vice President Orvis 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 FAIRES MOVED THAT THE CONSENT AGENDA BE APPROVED TO INCLUDE THE FOLLOWING ITEMS:

- A. APPROVAL OF AGENDA.
- B. APPROVAL OF JUNE 28, 2010 COMMISSION MEETING MINUTES
- C. APPROVAL OF CHECK NUMBERS 5570 THROUGH 5575 IN THE AMOUNT OF \$397.35 FOR TENANT REFUNDS.
- D. APPROVAL OF VOIDED CHECK NUMBER 69971 IN THE AMOUNT OF \$59.40 FOR ACCOUNTS PAYABLE.
- E. APPROVAL OF CHECK NUMBER 66976 IN THE AMOUNT OF \$121,462.50 FOR ACCOUNTS PAYABLE.
- F. APPROVAL OF CHECK NUMBERS 69977 THROUGH 69997 INCLUDING DIRECT DEPOSITS D00773 THROUGH D00789 IN THE AMOUNT OF \$42,530.24 FOR PAYROLL.
- G. APPROVAL OF CHECK NUMBERS 69998 THROUGH 69999 IN THE AMOUNT OF \$27,150.61 FOR PAYROLL.
- H. APPROVAL OF CHECK NUMBERS 70000 THROUGH 70049 IN THE AMOUNT OF \$107,932.75 FOR ACCOUNTS PAYABLE.
- I. APPROVAL OF CHECK NUMBERS 11269 THROUGH 11284 IN THE AMOUNT OF \$13,363.21 FOR HARBOR SQUARE ACCOUNTS PAYABLE.
- J. APPROVAL OF RESOLUTION 10-07 FOR EMERGENCY REPAIR OF HVAC UNIT.

K. APPROVAL OF RESOLUTION 10-08 FOR EMERGENCY ELECTRICAL REPAIRS AT HARBOR SQUARE.

COMMISSIONER GOUGE SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY.

PUBLIC COMMENTS

Paul Vezetinski noted that his comments in the June 14th minutes were recorded as being made by his brother, Pat Vezetinski. He asked that the minutes be corrected.

David Preston announced that he is running for the Senate Position in the 21st District. He said he is a long time resident of the area, and he loves what the Port has done. He would love to see sensible development of the Harbor Square property. He was present to introduce himself and get to know the Commissioners and Port staff. Commissioner Zagorski suggested that Mr. Preston forward his address to staff so he can receive notification of future Port Commission meetings.

REPLACEMENT OF MAINTENANCE VEHICLE

Mr. McChesney advised that the truck that has been used by the Port Maintenance Manager requires a new engine at a cost of \$5,774. The truck is 14 years old and is fully depreciated. After reviewing several alternatives, staff believes the best solution is to purchase a new vehicle, which is programmed in the budget. Staff has priced Ford Rangers, Chevrolet Colarados, GMS Canyons, and Dodge Dakotas. They also priced hybrid trucks, which cost about \$38,000. He referred to the bid summary and said staff's preference is to have a smaller truck with an extended cab. He recommended the Commission authorize staff to move forward with purchasing a Ford Ranger Super Cab at a cost of \$14,586 plus tax and license fee.

Commissioner Faires asked about the depreciation schedule for the proposed new vehicle and the approximate annual cost. Ms. Drennan said the depreciation schedule is about 7 years, which equates to about \$2,000 per year. She noted the budget identifies approximately \$25,000 for the new vehicle. Commissioner Faires suggested that in the future, the item for approval should indicate both the actual cost of the expenditure and the budgeted amount.

Commissioner Gouge summarized that it appears the Port will not be able to purchase hybrid vehicles at a cost that can be justified by anticipated operation cost savings. Mr. McChesney noted that hybrid vehicles are very expensive, and he is not sure that they are practical for the Port. An off-the-shelf, standard-sized utility pick up truck seems to be the most cost-effective way to serve the Port's needs. Commissioner Orvis noted that electric vehicles are still too expensive to be cost effective, as well.

COMMISSIONER ZAGORSKI MOVED THE COMMISSION AUTHORIZE THE EXECUTIVE DIRECTOR OR HIS DESIGNEE TO PURCHASE A NEW FORD RANGER SUPER CAB TRUCK FOR THE PORT OF EDMONDS MAINTENANCE DEPARTMENT IN THE AMOUNT OF \$14,586 PLUS TAX AND LICENSE. COMMISSIONER GOUGE SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY.

2011 BUDGET MEETING SCHEDULE

Mr. McChesney referred the Commission to the proposed 2011 Budget Meeting Schedule and noted that three public hearings have been scheduled. He also noted that the Capital and Operating Budgets would become an integrated document.

Ms. Drennan reviewed the proposed schedule, noting that staff would meet on July 26th to discuss the 2011 Operating and Capital Budgets. On August 9th the Commission would conduct a workshop to discuss the revised financial reports, which is something staff has been working on throughout the year to separate the marina from the rental

properties. On August 30th, the Commission would discuss the rate philosophy for moorage, dry storage and marina operations. The Commission would hold another workshop discussion on September 13th to discuss economic development and property tax levy philosophy. The draft 2011 Operating and Capital Budgets would be discussed again by staff during the week of September 20th and by the Finance Committee during the week of September 27th. Although only one public hearing is required, three public hearings have been scheduled: October 11th, October 25th and November 8th.

Ms. Drennan requested Commission feedback about whether the public hearing on October 11th should be conducted before or after the staff's presentation of the draft budget. The Commission agreed that rather than a public hearing on October 11th, the meeting should be scheduled as a workshop discussion, at which public comments would be entertained. They further agreed that the draft budget should be posted on the Port's website prior to the October 11th meeting, making it available to the public and the Commission at the same time. An updated budget based on Commission comments at the October 11th workshop discussion should be posted on the Port's website no later than the Thursday before the October 25th public hearing. They agreed that each new iteration of the budget should be made available to the public at the same time it is available to the Commission. They discussed that the format for the public hearings should include Commission review of the proposal, followed by public comment and then additional discussion by the Commission and direction to staff.

Ms. Drennan asked the Commission for ideas on how to communicate to the public that they should not wait until the last public hearing to provide their comments, since the budget is nearly finalized at that point. Public comments would be most helpful at the earlier public hearings. The Commission agreed that the budget process and schedule should be advertised as soon as possible on the Port's website, the tenant newsletter and on myedmondsnews.com.

BOAT PUMP-OUT STATION GRANT

Ms. Kempf reminded the Commission that the Port currently has two pump-out stations (B and I Docks), and the Port has spent a lot of money on repairs to keep them operating. In the meantime, staff applied for a Washington State Parks and Recreation Commission Clean Vessel Sewage Disposal Facility Grant to upgrade and replace both pump outs. She announced that the Port was recently notified they would be reimbursed for 75% of the expenditures associated with purchasing and installing new pumps up to \$25,670. She advised that staff would move forward with securing three bids, choosing the bid that will provide the best equipment for the Port's particular situation, and preparing a statement outlining reasons for the choice per the grant requirement. The Executive Director has signed and returned the contract. The Port will receive reimbursement not only for the equipment, but for consultant fees, signage, and maintenance and operations costs subject to the availability of funds.

Commissioner Orvis asked if staff has considered the option of constructing a third pump-out station. Ms. Kempf said staff has talked about options other than stationary pump outs in the past, but determined they would not work well for the Port's needs. She noted that staff is hoping to upgrade the two pumps so the stations are more efficient. She said that it appears the two existing stations are inadequate to serve the tenant's needs. In the long range, Commissioner Faires suggested the Port consider a large station that is located land side, with places to connect to the central system on every dock. This would need to be designed into the docks when they are rebuilt.

EXECUTIVE DIRECTOR'S REPORT

Mr. McChesney reported that a Pacific Coast Congress meeting has been scheduled for October in Kodiak, Alaska. In the past, the Port has sent several representatives to the events that have been held locally. However, because of the proposed location, he recommended they limit their participation to just interested Commissioners and one staff person. He asked Commissioners to notify staff of their plans to attend. Ms. Kempf noted that no agenda for the meeting has been published yet.

Mr. McChesney reminded the Commission that the July 26th meeting agenda would be limited to accounts payable only. He also said he received a document regarding the Pacific Northwest Rail Corridor, specifically the Washington State Segment from the Columbia River to the Canadian Border. The document is available for Commission review.

Ms. Kempf announced that Friday, July 16th, is the opening day for Chinook salmon fishing. As a result, office hours for Marina Operations and Dry Storage will change to 6:00 a.m. to 7:00 p.m. seven days a week. She said she attended the Puget Sound Angler's meeting on Thursday night. While there are typically 20 to 30 people in attendance, this year there were about 150. She was able to announce the Port's current launcher promotion, as well as the extended operating hours.

COMMISSIONER COMMENTS AND COMMITTEE REPORTS

Commissioner Gouge reported that he would attend a July 13th City Council Meeting where the Edmonds Citizens Advisory Transportation Committee would provide more testimony to the Council, who is the Transportation Benefit District Board. The meeting would start at 5:00 p.m. Commissioner Faires recalled that Mayor Haakenson previously made the point that while he thought it was a good idea to have a Port representative on the committee, he was not in favor of formalizing the position. He suggested that perhaps they should ask the City Council to consider making the Port Commission position permanent. The Commission agreed it would be appropriate to raise this issue again.

Commissioner Faires recalled that the Commission previously discussed the concept of utilizing fiber optic capability that is available from the City at Harbor Square. He reported that with the support of the Edmonds Citizens Economic Development Commission (CEDC), City staff is moving forward with a prototype fiber optic business development plan with the intention of bringing a few potential customers on line. He expressed his hope that a model can be in place within the next few months that would allow the Port to consider a potential connection to the system. He suggested it would make sense for the Commission to have a more in-depth discussion of exactly how they want to go about integrating this capability into what they can offer at Harbor Square. Commissioner Gouge suggested they poll the current Harbor Square tenants to find out if any of them are interested in the new program. Commissioner Faires agreed that would be helpful, but he also reminded the Commission that if the Port were to take advantage of this additional capability, they would be able to attract new tenants to Harbor Square.

Commissioner Zagorski reported that the CEDC's Strategic Planning and Visioning Subcommittee met last month and will meet again this week to prepare a draft document for the City Council that will describe why Edmonds should do a strategic plan and how they should go about the project. She reminded the Commission that representatives from Swedish Hospital would be meeting with the CEDC on July 21st, and the public is invited to attend. She said the next Sea Scout meeting is scheduled for July 21st, as well.

Commissioner Zagorski reported on her attendance at the last Woodway Town Council Meeting. Just as Edmonds has had controversy over cats on leashes, Woodway is dealing with the issue of roosters.

Commissioner Orvis announced that he would attend the Washington Public Port Association (WPPA) Commissioner's Seminar on July 26th. He said he would also be absent from the August 9th meeting. Commissioner Faires said he would not be in attendance on August 9th, either. Mr. McChesney reminded the Commission that they had anticipated that by August 9th, staff would have prepared a scope of work so the Commission could form a preliminary project team to move forward with the Harbor Square Master Plan. He suggested that because some Commissioners would be absent from the meeting on the 9th, perhaps it would be appropriate to postpone the discussion to the second meeting in August.

ADJOURNMENT

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

Respectfully submitted,

Fred Gouge
Port Commission Secretary