



## PORT COMMISSION OF THE PORT OF EDMONDS

### MINUTES OF SPECIAL MEETING

July 30, 2018

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#### COMMISSIONERS PRESENT

David Preston, President (by phone)  
Steve Johnston, Vice President  
Angela Harris

#### COMMISSIONERS ABSENT

Jim Orvis, Secretary (excused)  
Bruce Faires (excused)

#### STAFF PRESENT

Bob McChesney, Executive Director  
Marla Kempf, Deputy Director  
Brittany Williams, Manager of Properties and  
Marketing  
Renaë Ebel, Administrative Assistant

#### CALL TO ORDER

Vice President Johnston called the meeting to order at 9:02 a.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 25, 2018 MEETING MINUTES AS AMENDED.**
- C. APPROVAL OF PAYMENTS IN THE AMOUNT OF \$1,361,012.30 FOR JULY 9, 2018 AND \$933,936.55 FOR JULY 30, 2018**
- D. AUTHORIZATION FOR EXECUTIVE DIRECTOR TO WRITE OFF \$3,204.78 AND SEND ACCOUNT TO COLLECTIONS**
- E. AUTHORIZATION FOR EXECUTIVE DIRECTOR TO WRITE OFF \$3,140.10 AND SEND ACCOUNT TO COLLECTIONS**

**COMMISSIONER HARRIS SECONDED THE MOTION, WHICH CARRIED UNANIMOUSLY.**

#### PUBLIC COMMENTS

There was no public present.

## **APPROVAL OF HARBOR SQUARE ASPHALT REPAIR 2018 CONTRACT NO. 2018-298**

Mr. McChesney reviewed that the Commission was previously briefed on Harbor Square Maintenance issues, one of which was the state of pavement disrepair in several locations throughout the business complex. He advised that \$50,000 was budgeted in 2018 for asphalt repairs at Harbor Square, and staff identified one area of priority. A formal bid invitation was published on July 2<sup>nd</sup>, and a pre-bid walkthrough of the project was conducted on July 10<sup>th</sup> with seven attendees. Staff received and reviewed six qualified bids on July 20<sup>th</sup>, and the low bidder was Northwest Asphalt, Inc. for a base bid of \$28,677. He recommended the Commission authorize him to enter into a contract with Northwest Asphalt, Inc. in the amount of \$28,677 for the base bid for the Harbor Square Asphalt Repair 2018 Contract #2018-298.

Mr. McChesney noted that because the project qualifies as public road construction under Rule 171, the Port will not have to pay sales tax. He referred to the bid tabulations that were attached to the Staff Report, noting that the high bid was for \$80,245. Staff feels comfortable with Northwest Asphalt, Inc. The project area is the main road leading into the Harbor Square Athletic Club, and all tenants will receive notification of potential impacts. He anticipates some traffic and parking issues, but the job should be done in one or two days.

Commissioner Johnston referred to the six bids the Port received and asked if the Port has used any of the companies before. Mr. McChesney answered that they have not used Northwest Asphalt, Inc., but he has worked with Grade, Inc. on other projects in Everett. He explained that the Port solicited bids from paving contractors on the MSRC Roster. Jobs of this type are often considered fill-in jobs to keep crews busy, and that is why there is a such a large spread in the bid numbers. Paving is not rocket science, but the Port did have some unpleasant discoveries on past projects because a previous contractor simply paved over the dirt without a subgrade.

Commissioner Preston asked what contractor the Port used previously to do asphalt work. Mr. McChesney answered that different contractors have been used over the years. In 2017, the Port contracted with Superior Asphalt, and they did a good job. Given the type of work, he cautioned against getting locked into one particular contractor. They have to open it up for bids.

Commissioner Preston asked if the project would involve removal of all asphalt down to the subgrade, and Mr. McChesney answered affirmatively. Whether it is busted out or ground out will depend on manpower, equipment and timing, but the contract calls for demolition and disposal of the existing asphalt. The specifications also require that the contractor to use crushed rock for the subgrade.

Commissioner Johnston asked if it would cost more to do the project on a weekend when there would be less disruption to tenants. Mr. McChesney answered that the cost would increase substantially. The Port elected to do the project during normal business hours to manage the costs. With good planning and execution, staff believes the disruptions and inconveniences can be managed.

**COMMISSIONER HARRIS MOVED THAT THE COMMISSION AUTHORIZE THE EXECUTIVE DIRECTOR TO ENTER INTO A CONTRACT WITH NORTHWEST ASPHALT, INC. IN THE AMOUNT OF \$28,677 FOR THE BASE BID FOR THE HARBOR SQUARE ASPHALT REPAIR 2018 CONTRACT #2018-298. COMMISSIONER PRESTON SECONDED THE MOTION, WHICH CARRIED UNANIMOUSLY.**

Mr. McChesney noted that the project would be well under the \$50,000 that was budgeted. He explained that rather than a lump sum contract, it is better to bid projects of this type out on a unit price basis from a cost control point of view. Unit pricing protects the Port against exorbitant change orders because the unit price has already been established. Using this approach, the Port may be able to do other areas, as well.

## **EXECUTIVE DIRECTOR'S REPORT**

Mr. McChesney reported that staff met with representatives from Puget Sound Express a few weeks ago, and things are going very well for them. He is very encouraged they will be able to move forward with the next round of negotiations, which anticipate a multi-year agreement.

Mr. McChesney announced that he and Commissioner Johnston attended a design charrette sponsored by Washington State Ferries, and Commissioner Johnston can discuss the details of that event at the next meeting.

Mr. McChesney advised that staff has been tinkering with the Cash Flow Model, which is the foundation for budget discussions that will start in August. Issues have come up related to the escalators imbedded in the Cash Flow Model as they pertain to the interest rate on the Cash Reserves. The interest rate the Port has used in the Cash Flow Model is a 5-year average (1.22%) and a 25-year average would be 3.24%. Staff analyzed 5, 10, 15, 20 and 25-year increments, and one theory is to throw out the low and the high and establish an average in between. Staff would like to discuss this issue with the Finance Committee

Mr. McChesney reported that one of the Dry Storage forklifts went into failure mode last week, and the machine will probably not be operational for at least another week. The rims were cracked and off-the-shelf replacements were not available. The Port had to spend \$2,000 to air freight the required parts. He summarized that the forklift is approximately 8 years old and was delivered to the Port in questionable shape. The Port accepted the machine based on the idea that the company offered an extended warranty. Since that time, the Port has replaced just about every part on the machine, and some several times. Everett Bayside Marine has the same machine, and they have had very few problems, likely because their dry storage operation is under cover and their machine stays inside. The Port's machines are out in the weather 365 days a year, and this particular machine, which has some sophisticated and elaborate controls, goes into failure mode. As they get into the 2019 budget, staff will ask the Commission to take a very close look at purchasing a new forklift because reliability is a cornerstone of the Port's promise to customers.

Commissioner Johnston asked if there is any way to protect the machines from the weather. Mr. McChesney said staff is in the initial stages of a plan to provide a covered area to store the machines. It should be a relatively simple plan, but it has not been perfected yet. Rather than building a covered area from scratch, staff believes they can modify the existing structure without compromising the dry storage capabilities.

Mr. McChesney reported that he attended the Washington Public Port Association (WPPA) Director's Seminar in Kalama. Items discussed at the seminar included marketing and cybersecurity.

Mr. McChesney also reported that the Environmental Committee met a few weeks ago to review the environmental policy that is shaping up very well. It will be presented to the full Commission at the second meeting in August.

Mr. McChesney announced that the Port's 70<sup>th</sup> Anniversary Celebration will take place on August 4<sup>th</sup>. Ms. Williams advised that most of the activities will take place in the Public Plaza, including free hotdogs and t-shirts. There will be t-shirts for participating staff and Commissioners, as well as hats to set the Commissioners apart from everyone else. Washington State Parks will bring their safety vessel, Walter, into the plaza for kids to explore, and they will be doing demonstrations and giveaways. In addition to Sea Jazz, a short-set of live music will be provided by the School of Rock Lynnwood, and classic cars will be on display in the parking area across the way. Lastly, she said Annie Crawley will be doing a marina clean up dive at the Guest Moorage dock, and she will have a booth in the public plaza to display items, too.

Commissioner Preston asked if additional announcements of the event would be published in local news sources. Ms. Williams said an announcement would be published in *THE EDMONDS BEACON* on Thursday as a press release. A press release would also be published in *MY EDMONDS NEWS* and *THE EVERETT HERALD*. It has also been announced on Facebook.

Ms. Williams said the event starts at 11:00 a.m., and it would be great if the Commissioners could come a little early so they are ready to host and mingle with the attendees.

Mr. McChesney reported that staff is doing a fantastic job at the marina, and it has been super busy over the last few weeks.

## **COMMISSIONER'S COMMENTS AND COMMITTEE REPORTS**

Commissioner Harris advised that she would distribute the draft Green Port Policy to Commissioners this week. She also reported that she attended the WPPA Commissioners Conference in Cle Elum, where they learned about the tribes and how to work with them respectfully. Mr. McChesney recalled that he and Commissioners Preston and Johnston met with the Tulalip Tribe's natural resource professionals and also learned about their wetland restoration projects. Commissioner Johnston stressed the importance of building relationships with the tribes.

Commissioner Preston said he also attended the WPPA Commissioners Conference and appreciated and learned from the discussions about how to improve relationships with the tribes. He said he also enjoyed mixing with other commissioners to discuss variety of challenges. Commissioner Johnston said he attended the event, as well, and he is always struck by the diversity of the ports in Washington States. There are a number of marinas on the west side of the State, and he learned that the Port is in great shape compared to other marinas.

Commissioner Johnston said he would report on the Washington State Ferry's design charrette at a later meeting in August. Mr. McChesney advised that he prepared a packet of the materials received at the meeting for each of the Commissioners. Commissioner Johnston said they discussed the concept of relocating the ferry holding lanes to the west side of the tracks and what the Port could do to accommodate the change. He and Mr. McChesney emphasized that the Port would not support using Admiral Way for holding lanes.

## **ADJOURNMENT**

The Commission meeting was adjourned at 9:34 a.m.

Respectfully submitted,



Jim Orvis  
Port Commission Secretary