



PORT COMMISSION OF THE PORT OF EDMONDS

MINUTES OF REGULAR MEETING

November 28, 2016

COMMISSIONERS PRESENT

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

STAFF PRESENT

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

OTHERS PRESENT

Bradford Cattle, Port Attorney

CALL TO ORDER

Commission President Faires 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

Item B (Approval of November 14, 2016 Meeting Minutes) was pulled from the consent agenda.

COMMISSIONER GOUGE MOVED THAT THE REMAINDER OF THE CONSENT AGENDA BE APPROVED TO INCLUDE THE FOLLOWING ITEMS:

- A. APPROVAL OF AGENDA
- C. APPROVAL OF PAYMENTS IN THE AMOUNT OF \$971,826.66

COMMISSIONER JOHNSTON SECONDED THE MOTION, WHICH CARRIED UNANIMOUSLY.

APPROVAL OF NOVEMBER 14, 2016 COMMISSION MEETING MINUTES (Item B on Consent Agenda)

COMMISSIONER GOUGE MOVED THAT THE MINUTES OF NOVEMBER 14, 2016 BE APPROVED AS AMENDED. COMMISSIONER PRESTON SECONDED THE MOTION, WHICH CARRIED UNANIMOUSLY.

PUBLIC COMMENTS

There were no public comments.

PRESENTATION BY MAYOR EARLING: WATERFRONT ACCESS STUDY

Mr. McChesney introduced Edmonds Mayor Dave Earling, who was present to share his thoughts and insight relative to the Waterfront Access Study.

Edmonds Mayor Dave Earling thanked the Port for its support of Phase 1 of the Waterfront Access Study, noting that Commissioner Orvis was co-chair of the Mayor's Task Force, which was formed 13 months ago to reach a realistic solution for getting people across the railroad tracks most efficiently. Council Member Nelson was the other co-chair of the Task Force. In addition to representatives from the City and Port of Edmonds, the Task Force included citizens with engineering experience, as well as representatives from the Washington State Department of Transportation (WDOT), Washington State Ferries (WSF), Burlington Northern Santa Fe (BNSF), Sound Transit (ST) and Community Transit (CT).

Mayor Earling advised that the Task Force initially considered over 50 possible solutions ranging from small to large. Over the 13-month public outreach process, the Task Force narrowed the solutions down to three alternatives:

- **Rebirthing the old Edmonds Crossing Project at a cost of \$350 to \$400 million.** However, Washington State Ferries and WSDOT indicated that there are two other large projects related to ferries after the Mukilteo project has been completed. It would be decades before they would consider anything else for Edmonds.
- **Pedestrian overpass in and around the Senior Center.** This could realistically become a project for Sound Transit. When the double tracking is completed for BNSF, there must be an elevated way for people to walk over the railroad tracks. The cost of this type of project would be about \$5 million, but it would not address the need for emergency access over the tracks.
- **Waterfront Access Project.** This practical solution would cost between \$25 and \$30 million, but there are a number of ways to realistically approach funding a project of this type. The project would be an extension of Edmonds Street, which is 2 blocks north of the current Main Street load/unload area. The crossing would be a 1-lane access point for emergencies of various kinds. Bollards would be placed at the end of the roadway, and they could be removed to accommodate emergency access. A slight hump would be required to meet BNSF specifications, but much of the height needed is already naturally in place due to topography. The access would end near Brackett's Landing North. This solution would also allow ferries to be loaded/unloaded in emergency situations.

Mayor Earling noted that, while he has been in office, the City has had to close one or both of the intersections crossing the tracks four or five times. One shutdown occurred for four hours during rush hour traffic.

Mayor Earling reviewed that about \$700,000 was raised for the initial study (Washington State - \$500,000, City of Edmonds - \$100,000, BNSF - \$50,000, Port - \$25,000, Sound Transit - \$10,000 and Community Transit - \$5,000). Phase 2 of the process will include intense environmental and design work, which is estimated to cost between \$800,000 and \$1 million dollars. He anticipates the project will qualify for federal and state grants. City representatives are going to Washington D.C. next week to meet with the State's Congressional Delegation, as well as staff from the Federal Department of Transportation, to explain the project and answer questions. The City hired lobbyist Tim LeVane to seek grant funding for the crossing project, as well as other projects related to Edmonds. He has access to the "Hill Staffers," and the Congressional Delegation knows him well. The City has allocated \$150,000 in its 2017 budget to support continuation of the project. He also met with representatives from BNSF and Sound Transit, who provided favorable responses and understand the project will benefit their organizations. In addition, he will ask that Community Transit become a funding partner. His goal is to raise \$300,000 as local matching funds. Because the project will provide a solution to a problem the Port would also like to resolve, he asked that the Port consider a contribution of between \$50,000 and \$75,000.

Mayor Earling said he has talked with local legislators who see the project as a great answer to the problem. He also mentioned the concept to the House Transportation Chair, who sees it as a practical solution to a very perplexing problem on both the State and local level.

Commissioner Gouge said he supports the allocation of Port funding for the project. He asked if the crossing could be used for pedestrian access when it is not needed for emergency access. Mayor Earling answered that the project would provide 24/7 pedestrian and bicycle access over the tracks, and it would be tremendous asset to connect the

entire waterfront to Downtown Edmonds. Commissioner Gouge said he supports the proposed location and felt the project would result in a win/win for public safety and access.

Commissioner Preston agreed that the proposed project would present a safer way for pedestrians to access the waterfront. Even without the railroad, there is a lot of car traffic on Main Street. Commissioner Preston asked if there would be lighting on the crossing, and Mayor Earling answered yes. Commissioner Preston asked how the bollards would be quickly removed in the event an emergency. Mayor Earling explained that the bollards could be moved either electronically or manually.

Commissioner Orvis said the Task Force unanimously supported the proposed solution that would extend Edmonds Street. The solution would support any of the concepts put forth by Washington State Ferries. The land use on the Edmonds side is so narrow that it is difficult to develop, and this is the one place where emergency access can be provided regardless of where the terminal is located. He expressed his belief that fire is a real danger on the water side of the tracks, and fire access is paramount. The proposed solution supports the Port, the restaurants, and other development on the west side of the tracks. The Commission has often considered what the Port can do to enhance the community, and he supports Mayor Earling's request for Port funding to continue the project.

Commissioner Faires asked to what extent the project would answer Washington State Ferries problems when there are three times as many trains in the future and it becomes difficult to load and unload boats. Will the project be a stable solution beyond 10 years? Mayor Earling said there is no way to answer that question, but he felt the project is a step in the right direction. He noted that, at least once or twice each year, there is an inevitable conflict between trains, ferries, people and cars. The assuring thing for the local community is that the crossing would not be used on a regular basis to load and unload ferries. Therefore, it should not be a tremendous imposition on the community.

Mayor Earling reminded the Commissioners that he will be meeting with representatives in Washington D.C. next week, and it would be great if he could have a commitment from the Port before Wednesday to present as part of the funding strategy. Commissioner Orvis clarified that Mayor Earling is seeking a funding commitment from the Port, not an immediate payment.

Commissioner Orvis summarized that the proposed solution is ideal because the crossing would be located at the foot of Edmonds Street and would provide a straight shot for fire trucks. Placing the crossing at the other end would add an additional 10-minutes to Fire District 1's response time. The project could be considered the first piece of an eventual crossing over the railroad tracks for ferry traffic, but any Washington State Ferries project will be very far into the future.

Mr. McChesney suggested the Commission's action might be to pledge to be a funding partner to a specific amount, subject to confirmation of other funding sources. The Commissioners modified the agenda to add under Item VI – Possible Action, a discussion of the Port's contribution to Phase 2 of the Waterfront Access Project.

Mayor Earling thanked the Commissioners for their consideration. He summarized that the proposed project would satisfy almost all of the community's needs for a "relatively" small amount of money as far as capital expenditures go. Commissioner Faires expressed his belief that the project is exactly the kind of activity the Port needs to be involved in for the benefit of the Port and its constituents.

ELECTION OF 2017 OFFICERS

Mr. McChesney reminded the Commission that its usual practice is to elect a new slate of officers for the coming year at their first meeting in December. This item would be scheduled on their December 12th agenda. Commissioner Faires added that it has also been the Commission's practice to rotate the assignments.

2017 COMMITTEE ASSIGNMENTS

Mr. McChesney advised that the Commissioners traditionally update the committee assignments at their last meeting of the year. Commissioner Gouge suggested that Commissioners consider the committees they want to participate on in preparation for their discussion on December 12th.

HARBOR SQUARE LOAN REFINANCE

Commissioner Faires noted that this item was listed on the agenda as “Information.” He asked if it would be possible for the Commission to adjust the agenda to take action on the item tonight. Mr. McChesney answered that this part of the process does not require Commission action. The intent of tonight’s discussion is to inform the Commission about the process, review the Finance Committee’s discussion, and present staff’s recommendation. Commission action will come when staff requests approval to sign the official loan documents.

Ms. Drennan reviewed that on March 31, 2006, the Port obtained a loan from Cascade Bank for \$10 million to purchase six Harbor Square buildings and to buy out the Harbor Square Associate’s lease agreement. The Port also spent \$3.5 million of its own funds for this purchase. The original loan was at 7.38%. When the prepayment penalties expired in 2011, the Port refinanced the remaining balance of approximately \$7.9 million at 5.25%. The prepayment penalty of the 2011 loan expired in August of 2016.

Ms. Drennan advised that the Port released its request for refinancing the loan on October 26th and proposals were due on November 16th. Requests for Proposals were sent to 13 banks, and the Port received 6 responses. The proposals were reviewed and ranked based on the interest rates offered. Staff also reviewed the terms and conditions to ensure nothing was out of the ordinary. Port staff recommends that the Port refinance its loan/special revenue bond with Opus Bank, which offered two options: A 3-year loan at 2.59% and a 5-year loan at 2.88%. The second lowest interest for a 3-year loan was 3.11% from Banner Bank, and the second lowest for a 5-year loan was 3.14% from People’s Bank.

Ms. Drennan explained that the Commission has two choices: a 3-year loan or a 5-year loan. She reviewed the summary information that was contained in the Staff Report, which compares the current loan with the 3-year and 5-year loan options proposed by Opus Bank (interest rate, monthly payment, interest payable over the remaining life of the loan, loan maturity date, annual payments, balloon payments, and estimated refinance costs). She reviewed that in 2015, the Port paid approximately \$2.85 million in loan principal and interest payments on the 1998 Revenue and Refunding Bonds, 2005 LTGO Refunding Bonds, and the Harbor Square loan. It paid an additional \$615,000 on the 1998 Revenue and Refunding Bonds and an additional \$545,673 on the Harbor Square loan/special revenue bond principal payments. This reduced the capital replacement reserve by \$1,160,673. In 2016, the Port will have paid approximately \$1,662,000 in loan principal and interest payments on its remaining two bonds.

To compare the options, Ms. Drennan advised that the Port would pay \$780,683 on the Port’s 2005 LTGO Refunding Bonds in 2017, which will be paid off in June of 2017. If it accepts the 3-year loan, it will also be required to pay a minimum of \$1,411,000 for a total amount of \$2,191,683 in 2017. This will reduce the capital replacement reserve by \$526,000 and save \$623,151 from the current minimum loan payments. If it accepts the 5-year loan and pays the maximum amount annually, the capital replacement reserve would be reduced by \$315,000 and the Port would save \$538,766. Another option would be for the Port to make only the minimum Harbor Square loan payments of \$875,100 in 2017 and make additional principal payments beginning in 2018.

Mr. McChesney asked if it would reduce the capital replacement reserve or if it would just reduce the amount the Port would be contributing to the capital replacement reserve for that year. Ms. Drennan answered that it would reduce the anticipated payments into the reserve, but it would not reduce the amount that is currently in the reserve.

Ms. Drennan advised that the Finance Committee met on November 23rd, and their recommendation was that the Port move forward with the 3-year loan from Opus Bank. This would save taxpayers \$623,151, which is almost \$81,000 greater than the 5-year loan option. The Port has the capacity to accept the 3-year loan option. Staff will ask bond counsel to work with Opus Bank to prepare the loan documents. Once prepared, staff will present the loan documents to the Commission for approval. She noted that information about the six proposals was included in the Staff Report.

Commissioner Preston said the Finance Committee felt that the 3-year option offered the most amount of savings and would not burden the Port cash-flow wise for the next three years. Commissioner Gouge commented that the 3-year option represents a win-win for taxpayers. Refinancing would be unnecessary if the Port was able to earn a higher interest on its cash, but that is not the case. The long-term picture is that Harbor Square would have no debt

in three years, and the revenue would be pure cash flow of \$1.1 to \$1.2 million each year. This money can be used for future infrastructure upgrades, as well as investments as interest rates go up in the future.

The Commissioners indicated consensus with the Finance Committee's recommendation to move forward with the 3-year loan from Opus Bank.

PUBLIC LAUNCH REPAIR

Mr. McChesney reviewed that, in August, Marina Operations staff reported the north public boat launcher was grinding. Maintenance staff investigated and discovered that the shaft had seized and the bearings were in disrepair. A repair was attempted, but the problem was not fixed and Everett Engineering was contacted to respond. The bearings were reinstalled, a new wire was installed, a limit switch was installed and adjusted, and counterweights were added to the level spreader bar. Port staff is asking the Commission to retroactively approve the repair and authorize the Executive Director to disperse payment to Everett Engineering in the amount of \$10,946.59.

Mr. McChesney reminded the Commissioners that the Port has an on-call contract with Everett Engineering for equipment repair, but the contract has been raised as an issue of concern by the State Auditor. In situations of this type, when a piece of essential equipment does not work, it is important to have the ability to deal with the problem quickly. While the Port could declare an emergency, staff believes it is in the best interest of the Port to have an on-call contract so that mechanics can be called in as soon as possible. Commissioner Faires asked if declaring an emergency or using an on-call contract approach are the same from a pragmatic standpoint. Mr. McChesney said he thinks so, but the State Auditor may argue that point. Commissioner Faires summarized that the goal is to fix the equipment as quickly as possible and at the best cost possible by the only people they know can work on the equipment without doing an extensive search. Mr. McChesney recalled that the Port has spent a great deal of time trying to find a contractor who could fix the public launch, but hasn't been able to find anyone except Everett Engineering.

Mr. McChesney advised that the solution is legislative, and there has been some discussion about the problem at the Washington Public Port Association (WPPA) Legislative Committee. When Port representatives meet with representatives of the Department of Ecology (DOE) on December 8th, it might also be worthwhile to meet with representatives of the WPPA. Commissioner Orvis pointed out that all ports involved need to understand they have to take a lead before the WPPA will jump into the issue. Mr. McChesney clarified that the WPPA tends to take on issues that are recommended by a committee. In this case, the Port must rely on the recommendation of the WPPA Finance Committee to forward a proposal to the Legislative Committee, and that is how the issue will gain traction. The Finance Committee is ready to move the proposal forward soon. Commissioner Orvis commented that it is important to start working now to get the issue on the agenda for the next legislative session.

Commissioner Gouge asked about the warranty on the launchers. Mr. McChesney said the north launcher is original equipment, and there is no longer a warranty in place. Commissioner Gouge suggested the Commission write a policy that it would single source its equipment until further notice or until other vendors who are capable of doing the job are found. Ms. Drennan said the Commission could write a policy, but it would not resolve the State Auditor's issue. Commissioner Faires agreed it would not solve the problem, but adopting a formal policy of what the Port intends to do in situations of this type would make the Commission's position clear and legitimize the action.

Mr. Cattle agreed that the Commission could adopt a policy. Continuing to use on-call contracts would likely result in an audit exception, but the Commission's policy would be clear. What Mr. McChesney is doing is essentially an emergency procurement method without having the emergency declared in advance. The Port could argue with the auditor and ask what is being gained by having the emergency declaration. By taking the action recommended by staff, the Commission would basically be ratifying what they would ratify in an emergency. The only difference is there is no specific statutory authorization that directs what the staff is asking them to do is within the Commission's general authority. They can argue with the State Auditor that the Commission has the general authority to do what it is doing.

Commissioner Orvis clarified that the problem is the result of a ruling set forth by the Attorney General and not the State Auditor. The State Auditor is simply implementing the Attorney General's opinion. Commissioner Faires

said he was not thinking that a formal policy would be a solution to the conflict with the State Auditor, but it would aid the Port in explaining its position to other ports and legislators. Ms. Drennan said she does not think that having a formal policy in place would be a significant benefit. The State Auditors understand exactly why the Port uses on-call contracts. However, they cannot grant an exception and the legislative rules must be changed. Commissioner Orvis commented that the legislative change is simple, and ports need to work with the WPPA representatives and local legislators to push it forward. The only benefit of having a formal policy in place is to take some of the heat off of the Executive Director. Mr. McChesney agreed it would take some pressure off of him. Commissioner Gouge said it is important to make it clear that Mr. McChesney is acting under the Commission's direction. The remainder of the Commission concurred.

COMMISSIONER JOHNSTON MOVED THAT THE COMMISSION APPROVE THE NORTH PUBLIC LAUNCHER REPAIRS BY EVERETT ENGINEERING AS PER INVOICE. COMMISSIONER ORVIS SECONDED THE MOTION, WHICH CARRIED UNANIMOUSLY.

POSSIBLE PORT OF EDMONDS CONTRIBUTION TO PHASE 2 OF THE WATERFRONT ACCESS PROJECT

Commissioner Preston pointed out that the City's operating budget is about \$30 million and their contribution is \$150,000. Using that same ratio, the Port's commitment would be about \$30,000.

Based on the presentation and discussion with Mayor Earling, Commissioner Johnston felt the Commission should authorize at least the minimum requested contribution of \$50,000. Commissioner Faires pointed out that the cost of Phase 2 will be about twice as large as the expenditure required for Phase 1. He said he would support a \$50,000 contribution from the Port. He reminded the Commission that the Port's job is to protect transportation infrastructure and protect safety on Port property and the waterfront. Commissioner Orvis agreed that the Port's contribution would be consistent with the goal of supporting safety, infrastructure and transportation. In addition, the Port stands to gain a significant benefit from the project. He said he would support a contribution somewhere between the Mayor's recommended \$50,000 to \$75,000. He felt the ratio of City budget to the Port's budget is irrelevant because the entities are entirely different. Commissioner Gouge said he would support a contribution up to \$75,000 because the project would provide a benefit to all who use the Port's waterfront. Public safety, economic development, and public access are all part of the Port's Mission Statement. Commissioner Faires agreed that \$75,000 is the right number. The Port needs to be seen and to feel it has done everything that the Mayor has asked it to do.

Commissioner Orvis also agreed that the Port would gain immeasurably from the project. He recalled that the Commission has had a number of discussions about how the Port can contribute to the community and what can be done to enhance economic development. Many of the Port's efforts have been stymied, and this project represents a good, positive, solid contribution to the community. It needs to be done. He would support a Port contribution even if the Port were not a major recipient of its benefits.

Commissioner Preston agreed with his fellow Commissioners. However, it is likely that some citizens will question if it really is the Port's responsibility to provide emergency services to the waterfront. Because it is not the Port's responsibility, it would also be helpful to focus on the benefits the Community will receive from the project. It would be great for the Port to get some positive recognition for its contribution. Commissioner Gouge agreed that emergency access is just one of the bigger picture. The public will benefit significantly from the public access the project will provide. Commissioner Johnston summarized that the key to the project is to provide public safety and fire safety for the tenants and people who use the Port, but the connectivity it will provide will be a significant benefit to the entire community.

Commissioner Preston asked if the Port would also be asked to contribute funding for future stages of the project. Commissioner Faires suggested that the Port's contribution to the implementation phase, if any is made, would be very small compared to the total cost of the project.

Mr. Cattle suggested that the Commission could take action tonight that identifies an amount for the Port's contribution. Then they could direct staff to prepare a resolution that outlines the purpose and benefits of the Port's contribution.

COMMISSIONER ORVIS MOVED THAT THE COMMISSION COMMIT TO THE CITY OF EDMONDS A \$75,000 CONTRIBUTION TOWARDS PHASE 2 OF THE WATERFRONT ACCESS PROJECT. HE FURTHER MOVED THAT STAFF PREPARE A RESOLUTION OUTLINING THE BASIS FOR THE COMMITMENT FOR THE COMMISSION'S APPROVAL AT THEIR NEXT MEETING. COMMISSIONER GOUGE SECONDED THE MOTION, WHICH CARRIED UNANIMOUSLY.

Commissioner Orvis agreed to contact Mayor Earling to inform him of the Commission's action.

EXECUTIVE DIRECTOR'S REPORT

Mr. McChesney reported on his attendance at the WPPA Fall Meeting in Tacoma. In particular, he attended the Public Relations and Marina Committee Meetings. Both were worthwhile.

Mr. McChesney advised that representatives from the Port are meeting with the Department of Ecology (DOE) to continue the discussion relative to the Shoreline Master Program (SMP). He will also schedule a meeting with Eric Johnson from the WPPA to discuss potential legislation related to public works contracting.

Mr. McChesney reported that he and Commissioners Orvis and Faires met with representatives from Save Our Marsh, and the discussion went fairly well. Staff has been working on the Port's communications program. Also, the City is co-sponsoring a business seminar with the City of Edmonds on November 29th, at which he will give a short presentation from the Port's perspective. The focus of his presentation will be on Harbor Square and other commercial properties.

Commissioner Faires recalled that the schedule for the public relations piece has been altered. He asked if the graphics that will be used in the piece are available for Commissioners to use in presentations to the community. Mr. McChesney advised that the pictures are available.

COMMISSIONER'S COMMENTS AND COMMITTEE REPORTS

Commissioner Gouge reported on his attendance at the WPPA Fall Meeting. He and Commissioner Johnson attended the Continuing Legal Education (CLE) Seminar, where they learned a lot of great things. He attended the Legal Committee, where there was a great discussion in layman's terms about rail and freight mobility and how even small ports are impacted. He attended the roundtable discussions about communications and working with the tribes. He learned a lot and was able to have informative discussions with consultants and representatives from other ports. At some point, the Commission needs to have a discussion about the Port's future.

Commissioner Johnston said he also attended the WPPA Fall Meeting which was robust. He attended the Legal Education Seminar, which covered four major areas:

- Stormwater Compliance. The Port is in pretty good shape, but they must keep their eye on the ball. There are a lot of citizen lawsuits and people are watching carefully.
- Marine Terminal Operations. While this does not have a significant impact on the Port, some of the case studies that were presented were jaw dropping as far as a port's responsibility to keep a safe harbor open.
- Municipal Bonding. Cynthia Weed made an interesting presentation, and he is glad that the Port is able to utilize her expertise. One of the most interesting things he learned is that ports can issue green bonds or environmental bonds, which have some advantages.
- Maritime Law. Maritime law has been expanded to include a lot of stuff such as derelict vessels and their impacts on the environment.

Commissioner Johnson said he also attended the Environmental Committee Meeting. One thing that is causing a lot of concern is the disposal of soil for construction projects. If you dispose of something on site, the soil contamination cannot exceed that of background levels. If it is slightly elevated, then off-site disposable would be required. Also, \$220 million is needed to meet the needs of the Model Toxic Control Act in 2017. Last year, there was \$65 million allocated and it may be less this year. It was discussed that regular maintenance dredging on the port-owned side of the Columbia River is behind schedule. The Public Information Seminar included a discussion

about how to get the public to understand what ports do. The WPPA puts out a compendium that explains what ports are and what they do, and the Port could provide copies of the document to visitors. At the end of the seminar, he felt that the Port is doing most things right and is in good shape across a broad spectrum of issues.

Commissioner Preston said he also attended the WPPA Fall Meeting and heard the lunch presentation by the Executive Vice President of Alaska Airlines, Andrew Harrison, about things that are going on in the airline industry. These activities do not have a direct on the Port, except that they may be listening to jets overhead much earlier than people really want it to happen. On Thursday, the new Secretary of WSDOT, Roger Millar, made a lunchtime presentation about WSDOT's future plans. He attended a Marketing Seminar where a representative of the Port of Skagit shared great perspective and fresh ideas about how to engage deeper with the community. Representatives from the Port of Seattle also shared their ideas for getting messages out using twitter and other social media.

Commissioner Preston provided a copy of a brochure prepared by the WPPA, which includes a picture of former Port Commissioner Marylou Block and good verbiage about ports in the State. In particular, it discusses how ports protect the environment and do cleanup. In addition to cleanup, thousands of acres of wetlands and sensitive aquatic areas at more than 55 port sites have been created, preserved or enhanced. This information provides helpful numbers to support Commission discussions about what other ports do. He recalled that some people in the local community do not know what the Port does or has done, and they do not give them credit for the work.

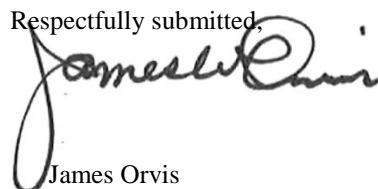
Commissioner Preston said he attended a presentation by a firm that does background checks and learned that the typical background check is a State Patrol Background Check, which just scratches the surface. He suggested the Port may want to look into their product as something to test not just for employee backgrounds, but for liveboard backgrounds. It is possible to get a much deeper background evaluation. Mr. McChesney said the Port currently uses a firm to perform background checks.

Commissioner Preston announced that the Sea Scouts have re-chartered, but there will be some adjustments. Mike Jones has agreed to be on the Sea Scout Committee as a volunteer.

Commissioner Faires said he also attended the WPPA Fall Meeting, which was particularly good in breadth and depth. In particular, he attended the roundtable discussion that was led by representatives (Rosie Courtney and Ron Peck) from the Port of Seattle on the subject of tourism and tourism opportunities. He learned that nearly 1 million people per year go through the Port of Seattle on cruise ships, and there is a much larger number of international tourists that come through SeaTac Airport. Ms. Courtney and Mr. Peck have been assigned by the Port of Seattle to simply work on maximizing the contribution of tourism to the City and Port of Seattle. Numerous firms are putting together activity packages for tourists. He proposed that the Commission start to think about how the Port can get a share of these tourists brought to Edmonds for the day in buses. It may be worth the Port putting resources into developing a program that focuses on tourism and ties into the activities provided by the Port of Seattle. Representatives from the Port of Seattle have indicated they would be willing to work with the Port of Edmonds to figure out how it can be a winner in the game, as well. He summarized that there is a real opportunity for the Port to spend a little and get back a lot relative to business development within the Port district under the auspices of tourism. The Commissioners agreed to discuss the concept further at a future meeting, perhaps the spring retreat.

ADJOURNMENT

The Commission meeting was adjourned at 8:29 p.m.

Respectfully submitted,

James Orvis
Port Commission Secretary