



## PORT COMMISSION OF THE PORT OF EDMONDS

### MINUTES OF REGULAR MEETING

December 8, 2014

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#### COMMISSIONERS PRESENT

Jim Orvis, President  
David Preston, Vice President  
Bruce Faires, Secretary  
Mary Lou Block  
Fred Gouge

#### STAFF PRESENT

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

#### OTHERS PRESENT

Bradford Cattle, Port Attorney  
Karin Noyes, Recorder

#### CALL TO ORDER

Commission President Orvis called the regular 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 was removed from the Consent Agenda.

**COMMISSIONER FAIRES 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 \$168,622.64
- D. APPROVAL OF WAIVER OF NOTICE OF SPECIAL MEETING

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

#### APPROVAL OF NOVEMBER 24, 2014 COMMISSION MEETING MINUTES (Item B on the Consent Agenda)

**COMMISSIONER FAIRES MOVED THAT THE MINUTES OF NOVEMBER 24, 2014 BE APPROVED AS AMENDED. COMMISSIONER GOUGE SECONDED THE MOTION, WHICH CARRIED UNANIMOUSLY.**

#### PUBLIC COMMENTS

No one in the audience indicated a desire to address the Commission.

## PRESENTATION BY PETER HANKE FROM WILDLIFE EXCURSIONS: CHILKAT EXPRESS

Ms. Kempf advised that in early 2013, Peter Hanke, President of Puget Sound Express, began exploring the possibility of doing high-speed wildlife excursions from the Port of Edmonds to the San Juan Islands between the months of May and September with daily excursions departing at 10 a.m. and returning at 3 p.m. Mr. Hanke later withdrew his proposal due to challenges with securing the proper vessel. Mr. Hanke has now reopened discussions with Port staff, and a test run of a potential vessel, the Chilkat Express, was completed on October 1<sup>st</sup>. The vessel was able to maneuver nicely into the marina, stopping at the fuel dock and then making a trial run down to the south end of the marina where the turning radius was sufficient to easily rotate the vessel. She introduced Mr. Hanke, who was present to provide information to the Commission regarding his business proposal.

**Peter Hanke, Port Townsend**, said he owns and operates Puget Sound Express, which is a tour boat excursion company based in Port Townsend. He and his father founded the business in 1985, and in 1988 they began providing seasonal service to the San Juan Islands. He and his son currently operate the business, but his father still helps out with the boats. In 2003 they added a second tour, focusing on whale watching. A passenger ferry service between Port Townsend and Friday Harbor was added in 1994, and they now carry about 150,000 passengers per year. Approximately 20% of their passengers come from the Seattle area, and about 25% are international customers. He noted that the company averages about 400 departures per year. They employ four, year-round employees and 14 seasonal employees.

Commissioner Faires asked how Puget Sound Express attracts the international customers. Mr. Hanke pointed out that San Juan Islands and Olympic Peninsula are tourist destinations for people who visit the Puget Sound area, and advertising on Google and social media has helped their business tremendously.

Mr. Hanke provided pictures of the vessels operated by Puget Sound Express and described some of the features of each one. He said they recently purchased the Chilkat Express, a high-speed foilcat that operates at 35 knots. The vessel is Coast Guard certified to carry 63 passengers, and there are two public restrooms and a snack bar on board. While the vessel is not ADA compliant, there is a wide door at the back that is wheelchair accessible. One restroom door is wider, as well. He is proposing to operate the vessel out of the Port of Edmonds, providing five-hour wildlife tours to east and west Whidbey Island. The vessel would depart from the Port of Edmonds at 10 a.m. and lunch would be provided on board.

Mr. Hanke requested that the Port provide approximately 30 parking spaces to serve his customers. Currently, the Port limits visitor parking to a maximum of three hours, which is not sufficient time for his customers to participate in a five-hour tour. Mr. McChesney noted that this is an operational detail that he is confident can be resolved. Mr. Hanke said he would also need an onsite kiosk from which to operate his business. He noted that he is currently renting a terminal building in Port Townsend, but he plans to start with something much simpler at the Port of Edmonds. He noted that he anticipates purchasing up to 40,000 gallons of fuel per year. Because they will need to pump up to 750 gallons of fuel a day, it is hoped that the two pumps at the fuel dock can be used simultaneously.

Mr. Hanke summarized that he would like to begin operation on May 23, 2015 and plans to operate approximately 152 days during the spring and summer months. The goal is to serve 6,000 passengers, which will include some specialty charters.

Commissioner Gouge asked about the anticipated cost of passenger fare. Mr. Hanke said the cost will be between \$115 and \$125 per person.

**Peter Block** asked how much fuel the vessel would burn each day. Mr. Hanke said the boat burns about 72 gallons of fuel per hour, and between 300 and 400 gallons of fuel would be needed for a five hour tour.

Mr. McChesney expressed his belief that the Chilkat Express will be a great addition to the marina and the community, and he is excited to work with Mr. Hanke to iron out all of the details. He advised that the Port has tendered a proposal, and he anticipates an agreement can be finalized sometime after the first of the year. He thanked Mr. Hanke for his thorough presentation to the Commission. The project is a good venture and should be very successful.

Commissioner Gouge suggested it would be great to have the final agreement in place prior to the boat show so the service can be advertised to visitors at the Port's booth. Mr. McChesney said Mr. Hanke intends to draw customers from tourist facilities in Snohomish County. As a participant on the Snohomish County Tourism Bureau, he can remark on the new operation at an upcoming meeting, noting that it would be a great activity to market to visitors.

### **2015 ELECTION OF OFFICERS**

**COMMISSIONER FAIRES MOVED THAT THE COMMISSION ELECT COMMISSIONER PRESTON TO SERVE AS PRESIDENT OF THE PORT COMMISSION FOR 2015. COMMISSIONER GOUGE SECONDED THE MOTION, WHICH CARRIED UNANIMOUSLY.**

**COMMISSIONER GOUGE MOVED THAT THE COMMISSION ELECT COMMISSIONER FAIRES TO SERVE AS VICE PRESIDENT OF THE PORT COMMISSION FOR 2015. COMMISSIONER PRESTON SECONDED THE MOTION, WHICH CARRIED UNANIMOUSLY.**

**COMMISSIONER FAIRES MOVED THAT THE COMMISSION ELECT COMMISSIONER GOUGE TO SERVE AS SECRETARY OF THE COMMISSION FOR 2015. COMMISSIONER PRESTON SECONDED THE MOTION, WHICH CARRIED UNANIMOUSLY.**

Commissioner Orvis commented that it has been an honor to serve as President of the Port Commission in 2014. It has not been a difficult responsibility because the Commissioners work with respect for each other and their individual opinions. It is a very comfortable and pleasant environment in which to serve. The remaining Commissioners thanked Commissioner Orvis for his service.

Commissioner Orvis explained that the purpose of electing new officers at the last regular meeting in December is to ensure that new officers are in place as of January 1<sup>st</sup> in case something comes up before the first regular meeting in January. Mr. McChesney reminded the Commissioners that it will also be necessary for them to reappoint the Port Attorney at their first meeting in January.

### **TELEPHONE AND VOICE SYSTEM UPGRADE**

Ms. Drennan reviewed that the Port's current telephone and voicemail system was last updated in 1999 to prevent any problems with Y2K. Since that time, a few telephones have been replaced as they were broken and there have been only minor changes to the voicemail system, such as adding and changing staff names. She advised that Meridian, the company that produced the telephone and voicemail hardware and software, has since gone out of business; and it is getting more and more difficult to get a technician who is able to coax the system into doing what Port staff wants.

Ms. Drennan explained that due to the obsolete system and lack of customer service with the skills to be able to work on it, Port staff looked into upgrading the system. The Port is a member of the King County Director's Association (KCDA) Purchasing Cooperative, which is owned by Washington's public school districts. The cooperative operates similarly to the State contract, where the KCDA has gone out to bid on specific products, and other agencies can use these contracts to purchase items without having to go out to bid on their own.

Ms. Drennan reported that, based on the Port's needs, Frontier recommended the Port upgrade to an Avaya system, which is on the KCDA contract. As proposed, the Port would replace all telephones, the two intercom devices (fuel dock and dry storage), the telephone software and hardware, and the voicemail software and hardware. The new system would allow 20 direct dial numbers, so some staff will be assigned a direct dial number. The new system will save the Port approximately 15% (\$120) on its current monthly telephone bill. She explained that the new Avaya system will be installed side-by-side with the current Meridian system. When it is ready, Frontier will cut over to the Avaya system after operating hours. Estimated lead time for the equipment is six weeks, and staff intends to have the Avaya system up and running before the end of the first quarter of 2015.

Ms. Drennan reminded the Commission that upgrading the telephone system has been in the capital budget (\$25,000) for more than seven years. The fiscal impact will be \$16,113.31 plus sales tax. The proposal meets the Port's mission statement of operating the Port on behalf of the Port District, providing and/or fostering quality

services and facilities for tenants and the boating community, and communicating openly, frequently, and consistently with the Port District residents and tenants. She recommended the Commission authorize the Executive Director to enter into a contract with Frontier Communications to upgrade the Port's telephone and voicemail systems at a cost of \$16,113.31 plus sales tax.

Commissioner Preston commented that the proposal looks good, and he hopes the new equipment can be in place before the end of the first quarter.

Commissioner Faires asked how many lines the Port currently has. Ms. Drennan said they currently have five lines, and they anticipate using up to ten of the new lines. Commissioner Faires summarized that the new system would provide significantly more lines for less cost than the current system.

**COMMISSIONER BLOCK MOVED THAT THE COMMISSION AUTHORIZE THE EXECUTIVE DIRECTOR TO ENTER INTO A CONTRACT WITH FRONTIER COMMUNICATIONS TO UPGRADE THE PORT'S TELEPHONE AND VOICEMAIL SYSTEMS AT A COST OF \$16,113.31 PLUS SALES TAX. COMMISSIONER FAIRES SECONDED THE MOTION, WHICH CARRIED UNANIMOUSLY.**

#### **EXECUTIVE DIRECTOR'S REPORT**

Mr. McChesney reported on a storm event that occurred on Saturday, November 29<sup>th</sup>, causing significant damage to the lighting on the Mid Marina Breakwater. In addition, the direction of the wave action and wind was such that it took I Dock broadside causing the water line to separate. Both the lighting and the waterline were already scheduled for replacement. Water service on I Dock will be temporarily unavailable pending repairs. The project is out to bid, but he does not anticipate it will be fixed until mid or late January. In addition to the previously mentioned damage, there was also a power outage. Staff did an excellent job of handling the situation.

Staff is working on a new lease proposal at Harbor Square for a restaurant. While he cannot get into the details at this time, he expects the Commission will have some discussion about the proposal at their next meeting.

Staff is working to finalize the shoreline permit application for the new restroom facility. At this time, they are awaiting drawings from the manufacturer, CXT Concrete Buildings.

Mr. McChesney reminded the Commissioners that the last meeting of the year is scheduled for December 29<sup>th</sup> at 9 a.m. Typically, they just need a quorum present to approve the accounts payable items, but there may be a new lease ready for approval at that time, as well.

Ms. Kempf announced that the Christmas Ship would be at the marina on December 9<sup>th</sup> at 7 p.m.

Ms. Drennan announced that Opus Bank has informed her that the Port can make an additional principal payment in 2014 in the amount of \$331,912.85. She noted that this would be in addition to the extra principal payments the Port made each month throughout 2014. Mr. Cattle advised that the Commission should take formal action if they want staff to move forward with the additional principal payment.

**COMMISSIONER FAIRES MOVED THAT THE COMMISSION AUTHORIZE STAFF TO MAKE AN ADDITIONAL PAYMENT TO OPUS BANK OF \$331,912.85. COMMISSIONER BLOCK SECONDED THE MOTION, WHICH CARRIED UNANIMOUSLY.**

Commissioner Gouge said he is pleased the Port has the cash available to make the additional payment, which will save the public thousands of dollars of future interest payments.

## COMMISSION COMMENTS AND COMMITTEE REPORTS

Commissioner Faires announced his plan to attend the Washington Public Port Association (WPPA) Annual Meeting December 10<sup>th</sup> through 12<sup>th</sup> in Bellevue. Specifically, he said he would attend the Trade and Economic Development and Transportation and Infrastructure Committee Meetings.

Commissioner Preston said he would attend the WPPA Annual Meeting, as well. Specifically, he would attend the public relations and tourism sessions.

Commissioner Preston announced that Mayor Earling is conducting another town hall meeting on December 9<sup>th</sup> at Point Edwards.

Commissioner Preston noted that there are no street lights on Dayton Street from SR-104 to the railroad tracks. This area is very dark.

Commissioner Preston reported on his attendance at the December 2<sup>nd</sup> Edmonds City Council Meeting where they had a study session on the draft update of the Comprehensive Plan Housing Element. It was noted that the City needs to accommodate about 2,800 new housing units over the next 20 years. He said the Council also discussed Perrinville Creek stormwater reduction and the idea of creating a new Diversity Commission.

Commissioner Block asked if any progress has been made by the City to provide public restroom facilities at Marina Beach Park. Commissioner Orvis said the City has not shown any interest in pursuing this option to date.

Commissioner Gouge announced his plan to attend the staff's holiday luncheon on December 17<sup>th</sup>. Commissioner Block indicated her plan to attend, as well.

Commissioner Orvis reminded the Commissioners to review the current committee assignments and provide feedback to Commissioner Preston as soon as possible. He noted that Commissioner Preston is responsible for making the committee assignments, and it is helpful for Commissioners to make their preferences known.

Commissioner Orvis announced that he would attend the WPPA Annual Meeting, as well. In particular, he would attend the Environmental Committee Meeting. He also plans to attend the Trustees Meeting on Friday.

Ms. Kempf advised that she would attend the Marina Committee Meeting.

## ADJOURNMENT

The Commission meeting was adjourned at 7:55 p.m.

Respectfully submitted,



Bruce Faires  
Port Commission Secretary