

**MINUTES OF THE PORT OF BELLINGHAM
COMMISSION MEETING
HELD TUESDAY FEBRUARY 19, 2019
HARBOR CENTER ROOM
1801 ROEDER AVENUE, BELLINGHAM, WASHINGTON**

Present:	Commissioners:	
	President	Bobby Briscoe
	Vice President	Ken Bell
	Secretary	Michael Shepard
Staff:	Rob Fix	Executive Director
	Sunil Harman	Aviation Director
	Don Goldberg	Economic Development Director
	Brian Gouran	Environmental, Planning Director
	Sylvia Goodwin	Engineering Director
	Tamara Sobjack	Finance Director, Auditor
	Shirley Mc Fearin	Real Estate Director
	Frank Chmelik	Port Legal Counsel
	Diane McClain	Executive Secretary

OPEN PUBLIC MEETING ROLL CALL AND IMMEDIATELY RECESS TO CLOSED EXECUTIVE SESSION At approximately 3:30 PM, the regular meeting was opened and immediately recessed to executive session. The purpose of the executive session was to discuss potential litigation pursuant to RCW 42.30.110(1) (i). The executive session was expected to last approximately 1 hour with no formal action taken by the Commission during the executive session.

RECONVENE PUBLIC MEETING, ROLL CALL- At approximately 4:35 p.m., Commission President Briscoe opened the public meeting and announced that all 3 Commissioners were present. Commissioners Briscoe and Shepard were in attendance, Commissioner Shepard joined via teleconference.

Advisory Committee Announcements

PUBLIC COMMENT PERIOD- 1 of 2

Jim McKinney (Whatcom Business Alliance) spoke in support of the WBA Youth Initiative –Youth Employment Services (YES) -Building a Bridge between Business and Education; connecting teens and young adults with employment opportunities at local companies; a program encouraging a strong economy and robust workforce in Whatcom County. The Commission expressed appreciation for the efforts and discussed further under Other Business.

Presentation:

Bellingham International Airport (BLI) Air Service Development – Aviation Director Sunil Harman introduced Jack Penning, Volaire Aviation Consulting, to present a Bellingham Air Service Development report. Mr. Penning provided information and statistics on Bellingham International Airport's (BLI) market strengths, current

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challenges, passenger demand area/ origination and offered a comparison to other airports. He and the Commission discussed air service mergers, shortage of pilots and mandatory retirement at age 65, Canadian exchange rates, load factors, aircraft size, fares and fees, changes to air service routes, low cost routes and the reduction of major carriers. The group also discussed marketing strategies, current trends and potential options to attract and retain business at BLI.

BREAK

PUBLIC COMMENT PERIOD- 2 of 2

Steve Walker (Community Boating Center) spoke in support of utilizing the Cornwall Cove area, near the Port's maintenance shop, for launching small hand powered watercraft vessels, sailing regattas and educational opportunities.

CONSENT AGENDA

Motion: Approve Consent Agenda items A-J.

- A. Approve the minutes of the February 5, 2019, regular Commission meeting.
- B. Approve an increase in the base salary of the Executive Director by 3.0% over his 2018 annual salary, effective immediately.
- C. Approve Surplus of Equipment to the needs of the Port and authorize staff to sell same following Resolution No. 1322-B.
- D. Authorize the Executive Director to execute a FAA agreement for transfer of entitlement funds in accordance with 49 USC 47117 (c)(2) to donate \$2,493,361 million from accumulated primary Airport Improvement Program (AIP) funds from FY2017 and FY2018 to Pullman-Moscow Regional Airport's sponsor, the City of Pullman Washington and the City of Moscow, Idaho.
- E. Authorize the Executive Director to execute an Allegiant Airlines marketing fund and Air Service Incentive Program for the Bellingham to Anchorage air service.
- F. Approve an Amendment to the Port of Bellingham's Air Service Incentive Program to allow unmatched funding for marketing new routes up to a maximum of \$75,000.
- G. Authorize the Executive Director to accept a grant from the Community Economic Revitalization Board (CERB) for the rural broadband feasibility study in the amount of \$43,875.
- H. Authorize the Executive Director to execute Amendment No. 3 to Action Order No. 6834 to prepare a Cleanup Action Plan and perform remedial design for required cleanup actions at the GP West Chlor-Alkali Remedial Action Unit.
- I. Approve a rental rate increase for the Bellingham Cruise Terminal meeting room "Conference Room B" and the Squalicum Boathouse hourly meeting room rate.
- J. Authorize the Executive Director to enter into an Economic Development Investment (EDI) Program Interlocal Loan and Grant Agreement between the Port of Bellingham

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and Whatcom County, related to the Walsh Marine Building project in Blaine, Washington.

Motion approved with a 3-0 vote.

PRESENTATIONS

Update- Western Crossing

Executive Director Rob Fix explained that when the Port of Bellingham acquired the old GP site with plans to develop the property, Western expressed an interest in having a presence on the waterfront. Western Crossing Development (Port and WWU partnership) was formed for that specific purpose. In 2013, the group entered into a Memo of Understanding (MOU) to facilitate the creation of University facilities at the Waterfront District. The Port hired a Master Developer for the development of the Waterfront District site. While there has been activity (Granary, roads, park, planning for future residential/ office buildings) on the site by others, there has not been much activity from Western. The commission discussed the importance of having a higher education institution on the waterfront, the original intention and terms of the MOU agreement and Western's lack of performance and communication. The next annual Western Crossing board meeting is scheduled for May 1, 2019. Executive Director Rob Fix and Commissioner Ken Bell serve on the board. The commission directed staff to prepare a presentation to Commission for placement on a March 2019 agenda providing options for moving ahead and potentially terminating the agreement.

This discussion was continued during Other Business portion of the agenda and resulted in the following motion:

Motion: Authorize the Executive Director and Commissioner Bell to "meet and confer" with Western Washington University and Western Crossing Development Corporation, pursuant to Section 9.5 of the Memo of Understanding (MOU) between WWU, the Port and Western Crossing.

Discussion: No further discussion.

Motion approved with a 3-0 vote.

Weblocker Update

Marinas Manager Alan Birdsall provided an update to the commission direction to Port staff on November 6, 2018, to address the non-fishing use of Port owned weblockers in the two marinas. Efforts to date include validating weblocker waiting lists and reviewing the current weblocker customers, multiple letters and calls made to those not responding, resulting in 10 weblockers becoming available. Staff has received input from the commission, the Marina Advisory Committee (MAC), Whatcom Commercial Fishermen's Association, Working Waterfront Coalition, Marine Commercial/Trades customers/tenants, public comment and weblocker customers. Mr. Birdsall, Blaine Harbormaster Andy Peterson and Squalicum Harbormaster Kyle Randolph presented multiple items for commission consideration: goal/purpose statement, current policy and recommended changes, exceptions, user categories, locker contents, required proof of

Active Commercial Fishing (ACF), limiting the number of lockers per customer, future assignment of webblockers, moorage requirement, and transfer of webblockers. Staff will prepare a redline to the existing upland storage rules and regulations for Commission consideration on or before the March 5, 2019 meeting, prior to presenting the final for a vote of approval at the March 19, 2019 commission meeting.

4th Quarter 2018 Financial Update

Finance Director Tamara Sobjack provided an overview of the Port's 4th quarter/ year to date financial and nonfinancial results. Regarding the Port's Stormwater program: For the Bellingham International Airport (BLI): All training and recordkeeping remain in compliance and sample results are within permit limits. At the Bellingham Shipping Terminal (BST): Sample results showed an exceedance for turbidity at one location, permit required responses have been completed. Public Disclosure: 153 Public Records Requests received year to date. Staff time: 350 hours. Fees collected: \$40.60. Safety program: There were 4 recordable (not major) injuries; recordable incident rate: 4.13; 0 lost work days. 4th Quarter Risk Management: December 20, 2018 windstorm resulting in Port property damage. Remaining additional open Claims for the Port: August 2017 damage to mooring dolphin at the Bellingham Shipping Terminal and the August 2018 maintenance fueling station damage. Open claims against the Port include a February 2017 slip and fall incident.

Ms. Sobjack discussed the Port's Balance Sheet (Net assets \$253M in 2018 up from \$246M at 2017 year-end), Investments (\$14.5M in federal securities, earning 1.5%, and \$29.5M balance in LGIP, earning 2.37% interest). 4th quarter 2018 Year to date Revenue and Expenses: Actuals vs. Budget vs. Prior Year for Operating (*Aviation, Marinas, Terminals, Real Estate, and Overhead*), Public Priority and Non- Operating divisions. The financial presentation concluded with a discussion on 2018 Cash Flow (\$27.3M), and an overview of multiple 2018 significant capital projects and cleanup spending.

ACTION ITEMS

1. RATIFICATION OF AN EMERGENCY PUBLIC WORKS CONTRACT –WATER LINE BREAKS, FLOODING AT THE BELLINGHAM INTERNATIONAL AIRPORT (BLI)

Motion: Ratification of the contracts issued to Swan's Clean Care and Restoration in the amount of \$9,570.31, and Belfor Property Restoration not to exceed \$325,000 for the cleanup, mitigation and restoration of the water and damage at BLI from two weather – related water line failures on February 5 & 6, 2019 at the Bellingham International Airport (BLI) Airport commercial terminal.

Discussion: Aviation Director Sunil Harman reported that recent freezing temperatures in Whatcom County caused the airport's primary fire suppression system and unrelated hose bib supply line to break, resulting in flooding and water damage to property in the commercial terminal and a declaration of emergency pursuant to RCW 39.04.280. Necessary repairs include flooring, drywall, carpet, paint and electrical work in the areas affected: ticket lobby, TSA lines, office spaces, public restroom and basement archives. No flight operations were impacted.

Motion approved with a 3-0 vote.

2. PROFESSIONAL SERVICES AGREEMENT FOR PRELIMINARY DESIGN WITH THE ZERVAS GROUP FOR THE BELLINGHAM INTERNATIONAL AIRPORT QTA

Motion: Authorize the Executive Director to execute a Professional Services Agreement with the Zervas Group, Inc. for preliminary design for the Bellingham International Airport Rental Car Quick Turnaround (QTA) Facility project.

Discussion: Project Engineer Greg Nicoll provided an overview of the proposed new QTA facility to be constructed on an undeveloped parcel that would serve the four existing rental car companies currently operating at the Bellingham International Airport (BLI). Of the three responses to the Port's issued Request for Professional Services (RFPS), Zervas Group Inc. of Bellingham, Washington was selected as the most qualified firm to provide the scope of services advertised.

Motion approved with a 3-0 vote.

3. 2019 MOORAGE RATES PER RESOLUTION NO. 1330 MOORAGE MODEL

Motion: Approve the 2019 Moorage Rates, per the adopted Resolution No. 1330 Moorage Model.

Discussion: Special Projects Administrator Pam Taft reported that the Commission adopted Resolution No. 1330 in 2014, establishing an updated moorage model. The approved model set 4% annual increases for all recreational moorage, 2% increases for Active Commercial Fishing in years 2015-2018 and 0% thereafter. The Resolution stated the model would be reviewed every four years and an integral component of that model assumed the rebuild of the Squalicum Harbor inner harbor in year 2022. Early this year, staff will conduct a condition assessment of the inner harbor structure to determine if cost-effective projects may extend its useful life and with that information, will then again review the moorage model. Ms. Taft presented comparative recreational and active commercial fishing moorage rate studies and reiterated 2019 increases apply to the recreational moorage rates only. Commissioner Briscoe voiced discomfort with raising rates and in particular a 4% increase.

Motion approved with a 2-1 vote. Commissioners Bell and Shepard voted in favor; Commissioner Briscoe against.

OTHER BUSINES

The following items were discussed briefly and will receive future attention:

- Alaska Marine Highway System (AMHS) continuation of service out of Bellingham
- Marketing of the Bellingham International Airport (BLI)
- Whatcom Business Alliance (WBA) Youth Engagement Initiative- Building a Bridge between Business and Education
- Homelessness and recent weather related Emergency declaration by the County Council
- Broadband backbone infrastructure

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- SB 5617- Senate bill pertaining to gillnetting, chinook salmon and Orca populations
- Western Crossing (see the Western Crossing Update section of the minutes for a motion proposed and approved 3-0)

ADJOURN

With no further business, the meeting was adjourned at approximately 7:55 p.m.



President



Secretary