

**MINUTES OF THE PORT OF BELLINGHAM
COMMISSION MEETING
HELD TUESDAY MAY 7, 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
	Tamara Sobjack	Finance Director, Auditor
	Elizabeth Monahan	Human Resources Director
	Shirley Mc Fearin	Real Estate Director
	Mike Hogan	Public Affairs Administrator
	Jon Sitkin	Port Legal Counsel
	Diane McClain	Executive Secretary

OPEN PUBLIC MEETING, ROLL CALL AND IMMEDIATELY RECESS TO EXECUTIVE SESSION

At approximately 3:30 PM, the regular meeting was opened, roll was taken and immediately recessed to executive session. The purpose of the executive session was to discuss potential real estate transactions pursuant to RCW 42.30.110(1) (c). The executive session was expected to last approximately 1.0 hour with no formal action taken by the Commission during the executive session.

4:30 RECONVENE PUBLIC MEETING, ROLL CALL- At approximately 4:30 p.m., Commission President Briscoe closed the executive session, reconvened the public meeting and announced that all 3 Commissioners were present.

Advisory Committee Announcements

PUBLIC COMMENT PERIOD-

Pete Granger Working Waterfront Coalition, regarding the last Commission meeting discussion: adding his support for a community food campus on Port waterfront property; a concept in support of fishing and seafood industry as well.

Zach Rushing spoke in support of Consent Agenda item B: 2019-2021 Collective Bargaining Agreement between the Port of Bellingham and the International Association of Fire Fighters, Local 106.

CONSENT AGENDA

A. Approve the minutes of the April 23, 2019, regular Commission meeting.

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- B. Authorize the Executive Director to execute the 2019-2021 Collective Bargaining Agreement between the Port of Bellingham and the International Association of Fire Fighters, Local 106, including any necessary budget adjustments.
- C. Approve Resolution No. 1383 for a 401 (a) Social Security plan for Airport Rescue and Fire Fighter employees.
- D. Approve Transfer of Capital Improvement Project funds from general ledger number (GL#) 215-699 to GL #215-700 to fund additional work to secure existing buildings in the Waterfront District.
- E. Authorize the Executive Director to apply for and accept a grant as funds become available from the Washington State Department of Natural Resources (DNR) for reimbursement of 90% of costs associated with the disposal of an abandoned 21' motor vessel, 'Bell Boy'.
- F. Approve a Third Amendment to Option Agreement to Lease Real Property between the Port of Bellingham and Fairhaven Workstudios, LLC.

Motion to Approve Consent Agenda items A through F.

Discussion: Following a brief discussion and request for clarification on a few of the consent agenda items,

Motion approved with a 3-0 vote.

Correction: Amending the April 9, 2019 Minutes: It was recently discovered that a section of text included under Other Business in the March 19, 2019, approved commission meeting minutes was repeated and included under Other Business in the April 9, 2019, commission meeting minutes in error, resulting in the following motion:

Motion: Amend the April 9, 2019 minutes previously approved on April 23, 2019.

Discussion: Correction accepted as requested.

Motion approved with a 3-0 vote.

ACTION ITEMS

1. REVENUE BOND REFUNDING

Motion: Approve Resolution No. 1381 authorizing the refunding of existing Revenue Bonds in the amount not to exceed \$26,000,000.

Discussion: Director of Finance Tamara Sobjack reported that the Port recently learned from its bond counsel/underwriter that municipal bond interest rates are currently low enough to provide significant cash flow savings and that the Port is now eligible to refund the Revenue bond Series 2010B (Taxable Build America Bonds). Savings are expected to be over \$2 million; final pricing to be determined on June 4th, and closing on July 9th. Ms. Sobjack further explained that the revenue bonds issued in 2010 were primarily used to fund the airport terminal expansion project. Ms. Sobjack introduced the

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Port's Bond Counsel Cynthia Weed (K&L Gates, LLP) and Scott McJannet, producers of the proposed Resolution No. 1381 and present to answer any questions.

Motion approved with a 3-0 vote.

PRESENTATION

Legislative Report- Public Affairs Administrator Mike Hogan introduced Tom McBride, shared lobbyist for the Port of Bellingham, City of Bellingham and Whatcom County (per an existing multi-year Interlocal Agreement between the three agencies) to provide a legislative update and discuss the highlights of the 105-day legislative session in Olympia that ended on April 28, 2019. Tom McBride, McBride Public Affairs, reported there were around 2,200 bills introduced this session and topics varied from long-term care benefits, clean energy, daylight savings, affirmative action, data privacy, facial recognition software, plastic bags and straws. Some passed, other did not. As a result of the McCleary decision, education funding continues to receive much of the attention in Olympia. In addition to rural broadband, the commissioners asked about the availability of Model Toxics Control Act (MTCA) funds and voiced concern about transfers from MTCA to the General Fund.

Waterfront District

Environmental and Planning Services Director Brian Gouran introduced Max Duffy (Harcourt) and Chris Erdmann (leasing agent, Bellwether Real Estate) to provide an update on the Granary Building and discuss the plans for future projects within the Waterfront District. The presentation included photographs/overviews/conceptual layouts of the site, discussion of key aspects and master development plans for the property (Granary Building, Granary Avenue Residences (94 units), Gateway Office, Boardmill Hotel, Alcohol Plant, Mixed Use and Commercial Use). Mr. Duffy reported that a full occupancy certificate for the Granary Building is expected this month. New tenants include a yoga studio which has just opened and soon a local hair salon (40 stylists) will relocate to the Granary. Mr. Erdman reported an increase in traffic from the public and interest from vendors wanting to set up retail, restaurant, brewery, coffee shop and office establishments and there possibly adding recreational activities to the site. The Commission spoke in favor of the recent attention/ increased marketing efforts made and stressed the importance of providing additional development updates to the public and the Commission going forward.

Working Waterfront Coalition

Working Waterfront Coalition Vice President Jim Kyle reported that the Working Waterfront Coalition (WWC) is represented by 115 locally based maritime businesses and a committee of its members has drafted a "No Net Loss of Working Waterfront" policy for adoption by the Port Commission that states "For any land use changes, or any series of related changes, there should be "no net loss" of land, buildings, and waterfront access that is available, designated, or in active use for working waterfront activities." Mr. Kyle introduced WWC committee members George Dyson, Michael McAuley and Pete Granger.

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Mr. Kyle added that the principle of operating under the proposed "no net loss" policy is to adhere to the Port of Bellingham's corporate goals and strategic budget and develop a formal policy to help guide Commission decisions. The Commission was not in favor of adopting a principal/policy that would bind future boards of commission. The Commission suggested the "no net loss" term be replaced with another phrase and that zoning issues and City of Bellingham involvement be further explored. The board expressed appreciation for the WWC committee members' time and asked that staff work with the members in this effort.

1st Quarter Financial Update Finance Director Tamara Sobjack provided an overview of the Port's 1st quarter 2019 financial report beginning with the Port's Balance Sheet: \$31.8M balance in the LGIP (Local Government Investment Pool) funds, earning 2.52% interest. Ms. Sobjack discussed 1st quarter Revenue and Expenses: 2019 vs. 1st quarter 2018 in the Operating (*Aviation, Marinas, Terminals, Real Estate, and Overhead*), Public Priority and Non- Operating divisions.

1st Quarter 2019 Risk Management: Major incidents include a February break in the fire suppression system water pipe at the Bellingham International Airport (BLI) causing significant damage to the interior of the commercial terminal; the Port's insurance carrier is involved. Additional Open Claims for the Port: August 2017 damage to mooring dolphin at the Bellingham Shipping Terminal; Port's property insurance carrier has been put on notice. Open claims against the Port include two slip and fall incidents from February 2017 and January 2018.

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 are also within permit limits with one exception; responses to the one exceedance have been completed. 1st Quarter Safety report: 0 recordable injuries. Public Records Requests: 27 requests received year to date. Staff time: 22 hours. Fees collected: \$0. Records Management staff continues to work on improving accessibility to Port public records.

OTHER BUSINESS

The Commission briefly discussed the following items:
Availability of an ATM at Squalicum Harbor, Upcoming Blessing of the Fleet at the two harbors, Blaine End Pier Road and Bulkheads- pre-road improvements, Telescopes in Blaine Harbor, upcoming Budget retreat.

With no further business, the meeting was adjourned at approximately 6:25 p.m.



President



Secretary