

**MINUTES OF THE PORT OF BELLINGHAM
COMMISSION MEETING
HELD TUESDAY JUNE 19, 2018
HARBOR CENTER ROOM
1801 ROEDER AVENUE, BELLINGHAM, WASHINGTON**

Present:	Commissioners:	
	President	Ken Bell
	Vice President	Bobby Briscoe
	Secretary	Michael Shepard
Staff:	Rob Fix	Executive Director
	Sunil Harman	Aviation Director
	Don Goldberg	Economic Development Director
	Brian Gouran	Environmental, Planning Director
	Adam Fulton	Facilities Director
	Tamara Sobjack	Finance Director, Auditor
	Elizabeth Monahan	Human Resources Director
	Shirley McFearin	Real Estate Director
	Kyle Randolph	Squalicum Harbormaster
	Brian Keenan	Project Engineer
	Chris Clark	Marine Terminals Business Manager
	Alan Birdsall	Marinas Manager
	Jon Sitkin	Port Legal Counsel
	Diane McClain	Executive Secretary

3:00 p.m. – OPEN PUBLIC MEETING, IMMEDIATELY RECESS TO EXECUTIVE SESSION, Commission President Bell called the meeting to order at approximately 3:00 p.m. and reported the purpose of the executive session would be to discuss potential litigation and real estate transactions pursuant to RCW 42.30.110(1)(i)(c). The session was expected to last 1.5 hours and the Commission would return to reconvene at 4:30 with no action be taken by the Commission during the executive session.

4:30 p.m. – RECONVENE PUBLIC MEETING, ROLL CALL At approximately 4:30 p.m., Commission President Bell closed the executive session and reconvened the public meeting. For the roll call, both Commissioners Bell and Shepard were present; Commissioner Briscoe joined in via teleconference.

PUBLIC COMMENT PERIOD- The following participated in the first public comment period.

1. Cheri Ann Trammell, Ms. Trammell spoke of her earlier request made to the Port to reserve the Zuanich Point Park in September 2018 for a one day event in which admission would be charged. Ms. Trammell added that she was under the impression that the entire area would be fenced off to those without a ticket. The Commission agreed to place Ms. Trammell's request for reserving the entire park as an action item on a future agenda.

CONSENT AGENDA

Motion: Approve Consent Agenda items A-K.

- A. Authorize the Executive Director to execute a Professional Services Agreement with Puget Sound Executive Services for Law Enforcement Officer Services at Bellingham International Airport (BLI), effective July 1, 2018, through June 30, 2020, and fund the contract with the budget item External Operating Expenses 1-101-001-7307-0000.
- B. Authorize the Executive Director to purchase a Multi-Tasking Equipment (MTE) unit from Wausau Equipment for snow removal operations at the Bellingham International Airport (BLI).
- C. Authorize the Executive Director to execute Amendment No. 1 to the Professional Services Agreement with Coffman Engineers in the amount of \$12,500; for a total authorized amount of \$33,000 for the FMIP Sprinkler Systems replacement project.
- D. Authorize the Executive Director to reallocate \$50,000 from Capital Improvement Project 107-793 to 105-678 increasing the budget to \$320,723 to provide funds for unanticipated rot repairs for the Harbor Center Building Public Facilities repairs/remodel project.
- E. Authorize the Executive Director to execute a Sole Source justification and Purchase Order with North Coast Electric in the amount of \$114,667.63 for replacement lights in Blaine Harbor parking lots and along the promenade; and transfer \$25,000 from 2018 Capital Improvement Program Budget Line 66 to Line 67.
- F. Authorize the Executive Director to sign a Confidentiality and Nondisclosure Agreement with West Coast Terminal and Stevedore, Inc.
- G. Approve Resolution No. 1374, establishing a new policy for mobile and over-the-dock fueling and a new License to Operate Agreement for same.
- H. Approve a Renewal and Modification of Lease between the Port of Bellingham and Marine Spill Response Corporation for premises at Squalicum Harbor in Bellingham, Washington.
- I. Approve the a) Consent to Assignment of Lease from Hopeton LLC, to Spring Street Towers, LLC, and, b) Approve a Modification of Harbor Land Lease between the Port of Bellingham and Spring Street Towers, LLC.
- J. Approve the Termination of Lease and Settlement Agreement between the Port of Bellingham and Anthony Monroe d/b/a Northwest Native Architecture, Suite 105, Bellwether Building.
- K. Authorize the Executive Director to execute the 2018-2019 Washington State Department of Commerce Associate Development Organization (ADO) Grant contract.

Discussion: The Commission asked for additional information on consent agenda items E and J:

- E. Purchase Order and Sole Source Authorization for Blaine Harbor Lighting Upgrades

Motion: Authorize the Executive Director to execute a Sole Source justification and Purchase Order with North Coast Electric in the amount of \$114,667.63 for the Blaine Harbor Lighting Upgrade project and transfer \$25,000 from 2018 Capital Improvement Program Budget Line 66 to Line 67. Facilities Director Adam Fulton explained the need for sole source is not common but is necessary and cost effective when looking to match existing light poles and fixtures.

J. Termination of Lease and Settlement Agreement with Anthony Monroe dba Northwest native Architecture

Motion: Approve the Termination of Lease and Settlement Agreement between the Port of Bellingham and Anthony Monroe d/b/a Northwest Native Architecture, Suite 105, Bellwether Building. Senior Real Estate Representative Judy Harvey provided a brief explanation of the terms of the proposed Termination of Lease and Settlement Agreement and status of tenant occupancy.

Executive Director asked to pull item G for a separate discussion and vote.

Amended Motion: Motion to approve Consent Agenda items A through K, with the exception of item G to be removed and addressed separately as Action Item No. 6.

Motion approved with 3-0 vote.

PRESENTATIONS

Audit Exit Conference- Finance Director Tamara Sobjack introduced Julie Styrna and Scott Hylton from the Washington State Auditor's Office to present the results of the recently completed 2017 audit and answer any questions the Commission may have. The audit was performed in-house with a focus on the Port's Accountability (payroll, bidding and procurement, cash receipting and general disbursements), Financial Statement and Passenger Facility Charges (internal control over financial reporting). The Port of Bellingham was found to be in compliance with applicable requirements, State laws and regulations and in compliance with its own policies and procedures. No significant deficiencies or material weaknesses were identified and the Port was once again deemed eligible to apply for the GFOA's Achievement in Financial Reporting (CAFR) award. The cost to perform the audit was estimated at \$39,900; however, actual cost will reflect a \$2500 saving due to the efficiencies demonstrated by Port staff. The next audit is scheduled for Spring 2019 and will cover Accountability for Public Resources, Financial Statement, Federal Programs, as applicable, Passenger Facility Charges and the Port of Bellingham Industrial Development Corporation (IDC) records from 2017-2018.

5:30 PUBLIC COMMENT PERIOD –No one opted to participate in the second public comment period:

ACTION ITEMS

1. ESTABLISH A NEW OPEN SPACES 2018 CIP BUDGET FOR INSTALLATION OF INTERPRETIVE SIGNAGE IN SQUALICUM HARBOR

Motion: Establish a new Open Spaces 2018 Capital Improvement Project (CIP) budget line item in the amount of \$9,000 for installation of seven Interpretive Signs along the Squalicum Harbor Promenade.

Discussion: Squalicum Harbormaster Kyle Randolph explained the new CIP budget will be used for the interpretive signage program introduced at the May 1, 2018, Commission meeting. Squalicum Harbor staff has been working with the Working Waterfront Coalition and representatives from the Dave Hansen Memorial Fund to develop a proposal for seven interpretive signs to be installed along the public walking path within Squalicum Harbor. These signs are intended to provide educational as well as interesting information about the area, commercial fishing industry and vessels within the marina.

Motion approved with 3-0 vote.

2. AIR INCENTIVE PROGRAM FOR BELLINGHAM INTERNATIONAL AIRPORT (BLI)

Motion: Approve the Adoption and Authorize the Executive Director to implement the Port's Air Service Incentive Program for the Bellingham International Airport (BLI).

Discussion: Aviation Director Sunil Harman explained the purpose, terms and conditions of the proposed air service incentive program for Bellingham International Airport (BLI). Offering financial incentives and inducements to Airlines in consideration of bringing air service to unserved and underserved markets began in the smaller airports has become a common practice in many of the larger airports. With the approval of the proposed program, BLI is working to 1) remain competitive, 2) entice new airline service, 3) retain existing service and stimulate new routes by the airlines currently utilizing Bellingham International Airport.

Motion approved with 3-0 vote.

3. AMENDMENT NO. 8 TO THE PROFESSIONAL SERVICES AGREEMENT WITH LANDAU ASSOCIATES FOR CORNWALL AVENUE LANDFILL

Motion: Authorize the Executive Director to execute Amendment No. 8 to the Professional Services Agreement (PSA) with Landau Associates, Inc. to provide design and permitting services for the Cornwall Avenue Landfill Site in the amount of \$543,447 for a total authorized contract amount of \$1,382,837.

Discussion: Environmental Director Brian Gouran explained that the scope of work in the proposed amendment to the contract (PSA) with Landau Associates will provide detailed design and permitting services to address the next phase of work to be performed at the Cornwall Avenue Landfill site. This cleanup work is required under the Washington State Department of Ecology Model Toxics Control Act (MTCA) and the Consent Decree with the Port, City of Bellingham and Department of Natural Resources (DNR). Mr. Gouran presented a timeline and an overview of the site, the area shown on the aerials with the white tarps and adjacent to the RG Haley cleanup site.

Motion approved with 3-0 vote.

4. BID AWARD TO RAM CONSTRUCTION FOR THE EARTHWORK FRANCHISE UTILITIES FOR THE GRANARY AND LAUREL STREET PROJECT

Motion: Authorize the Executive Director to execute a contract with RAM Construction for the Earthwork for Franchise Utilities Granary and Laurel A Street project in the amount of \$483,247.59 plus a 20% contingency for a total authorized contact amount of \$580,000.

Discussion: Redevelopment of the Waterfront District involves construction of a new City park, City roads, public utilities and franchise utilities. The Port is responsible for bringing in the underground electrical, natural gas, and telecommunication utilities on the site. The mainlines for these franchise utilities ("dry" utilities) are installed underground in right of way, vaults on private property with easements. Engineer Brian Keenan provided a brief background on the Earthwork for Franchise Utilities for the Granary and Laurel Street project and presented an overview of the work completed in the first phase and the proposed scope of work to be performed by responsive bidder, RAM Construction in the second phase.

Motion approved with 3-0 vote

5. GRANDCAMP INTERNATIONAL LLC –FOURTH MODIFICATION OF LEASE

Motion: Approve a Fourth Modification of Lease between the Port of Bellingham and GrandCamp International LLC for premises at the Bellingham Shipping Terminal.

Discussion: Chris Clark, Marine Terminals Development Manager, explained the proposed modification reduces the lease area as requested by the tenant and in response to current use of the premises and business activity at the shipping terminal.

Motion approved with 3-0 vote.

6. (Consent Agenda item G) RESOLUTION NO. 1374 AND NEW LICENSE TO OPERATE AGREEMENT FOR MOBILE AND OVER THE DOCK FUELING

Motion: Approve Resolution No. 1374, establishing a new policy for mobile and over-the-dock fueling and a new License to Operate Agreement for same.

Discussion: Marinas Manager Alan Birdsall explained that staff discovered an error in item 5 of the resolution on the consent agenda item in the packet, pertaining to notification of a release or discharge of petroleum. The error has since been corrected in the Resolution No. 1374 being submitted for approval. The Port currently permits mobile and over the dock fueling at established Port locations and currently has three approved mobile marine fuel providers at the Squalicum and Blaine Harbors, Bellingham Cruise Terminal, Bellingham Shipping Terminal and C Street Terminal. The proposed action will establish a policy for requirements set forth by the Port and provide consistency for each of the fuel providers operating under the new License to Operate Agreements at any established Port location.

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Amended Motion: Approve Resolution No. 1374 as amended (to delete "of a volume of one quart U.S. or greater," from Item 5 of the resolution), establishing a new policy for mobile and over-the-dock fueling and a new License to Operate Agreement for same.

Motion approved with 3-0 vote.

OTHER BUSINESS

Agenda Structure- The Commission discussed the current flow of Commission meetings, the placement of items on the Commission meeting agenda, public comment periods and taking breaks. There was some confusion with this particular meeting as the online version did not mirror the printed version and Commissioner Briscoe expressed concern that if the order of business on the agenda was being altered, the public might be upset if planning to attend meetings after 5:30 pm. Further discussion centered on how to set future agendas based on the business to be addressed while accommodating the second public comment period at 5:30 pm. Port staff will re-examine the format when drafting the next agenda to see if the flow can be improved.


Social: Play ball- Commissioner Bell mentioned that staff members from the Ports of Everett and Bellingham met after work the previous evening to compete in a softball game. He added that Bellingham fared better in the final score and he encouraged more staff to join the team.

ADJOURN

With no further business, the meeting was adjourned at approximately 6:10 p.m.



President



Secretary