

**MINUTES OF THE PORT OF BELLINGHAM COMMISSION MEETING
HELD TUESDAY, SEPTEMBER 21, 2010
HARBOR CENTER BUILDING CONFERENCE ROOM
1801 ROEDER AVENUE, BELLINGHAM, WASHINGTON**

Present:	Jim Jorgensen Michael McAuley	President Vice President
Staff:	Fred J. Seeger Rob Fix Art Choat Dan Stahl Sylvia Goodwin Lydia Bennett Steve Shipman Greg McHenry Jerry McGarity Diane McClain	Interim Executive Director Chief Financial Officer Director, Aviation Director, Marine Services Director, Planning and Development Director, Real Estate Real Estate Representative Planning Analyst Meeting Facilities Operations Coordinator Interim Executive Secretary

CALL TO ORDER

Commissioner Jorgensen called the meeting to order at 3:00 p.m. and announced that Commissioner Walker was currently out of town and would not be attending the meeting.

PUBLIC COMMENT PERIOD

There were no public comments.

CONSENT AGENDA

Motion: Approve Consent Agenda items A. through E as follows:

- A. Approve a Modification of Lease Agreement between the Port of Bellingham and Alpha Distributors, Inc. (ADI) for Lease Site 53B.
- B. Approve a Modification of Lease Agreement between the Port of Bellingham and Alpha Distributors, Inc. (ADI) for Lease Sites 18A & 19A.
- C. Approve a Renewal and Modification of Lease between the Port of Bellingham and Bakerview Hangar, LLC.

- D. Authorize the Interim Executive Director to execute an Amendment to the Professional Services Agreement (PSA) with Pacific Survey and Engineering for the Fairhaven Shipyard Potable Water Project.
- E. Authorize the Interim Executive Director to execute a three-way Interlocal Agreement between the Port of Bellingham, the City of Bellingham and the State of Alaska Department of Transportation and Public Facilities Alaska Marine Highway System (AMHS) for the BCT Berth #2 & Under Pier Utility Project: Installation, Maintenance and Billing of the AMHS Sewer Line Addition.

Motion approved with a 2-0 vote.

WORK-STUDY SESSION

1. Update on the Port of Bellingham 2011 Strategic Budget.

Chief Financial Officer Rob Fix provided an overview of the 2011 Strategic Budget. In his presentation, Mr. Fix reported the Corporate Strategic Goals for 2011 include Economic Development and Jobs, Transportation (*Marinas*), Airport Improvements (*Terminal expansion and parking project*), Public Asset and Environmental Stewardship and the Waterfront Redevelopment.

For 2011, Mr. Fix presented:

- The \$20.8 million Operating Revenues consist of \$7.0 million Aviation, \$6.6 million Marinas, \$5.5 million Real Estate and \$1.7 million Marine Terminals. \$210 thousand Public Priorities, \$827 thousand Non- Operating and \$7.4 million Property Taxes (*keeping flat*) make up the remaining budgeted revenues.
- The Budgeted Expenses include \$15.9 million in Operational Expenses, \$32.3 million forecasted in Capital projects (*Operating \$29.5 million, Public Priorities \$2.1 million and Bellingham Waterfront Acquisition Site (BWAS) \$75 thousand*) and the Debt service is budgeted at \$6.2 million (*principle reduction of \$4.3 million*).
- The tax rate policy will remain at \$7.4 million for uses which will include Environmental, Community Connections, Economic Development, Infrastructure, Undeveloped Property, and Capital Projects and GO Bond debt. The uses of these property taxes include 45% Public Programs, 33% Waterfront Development, 17% Bond payment and 5% Environmental Programs.

Mr. Fix added the Large Capital Projects for next year (2011) include:

Aviation - Commercial Terminal Expansion, Update the Master Plan, Stormwater Pond Construction and the Parking Lot Phase 4B.

- Marinas - Rebuild Gate 3 Construction and Dredging.
- Real Estate - Re-roof Fairhaven Marine Industrial Park (FMIP) Building No. 1.
- Marine Terminals Bellingham Shipping Terminal (BST): Main Pier Repairs and Cathodic Protection and the Harris Avenue Shipyard Pier engineering. Bellingham Cruise Terminal (BCT): Paint gutters, awnings support and trim.

Mr. Fix closed by reporting the next Steps to Adoption of the 2011 Strategic Budget include: 2nd Draft to the Commission on October 7, Status Report and Update at the Work-Study Session on October 19, Release Strategic Plan & Preliminary Budget for Public Comment on October 28, Commission Approval on November 16 with the Deadline for filing with the County Auditor on December 1, 2010.

2. Update on the Park and Open Space Plan.

Planning Analyst Greg McHenry reported the purpose of the Park and Public Access Plan (the plan) is to provide a strategy (*which complies with RCW 53.08.260 & 53.08.270*) for the Port to construct, improve, maintain, and operate public park and recreation facilities and achieves Washington State Recreation & Conservation Office (RCO) grant funding eligibility. Once adopted, the plan provides the Port up to six years of grant eligibility. The 2004 Comprehensive Park and Public Access Plan grant eligibility expired in July 2010.

Mr. McHenry added the Port has completed approximately 6 out of 36 potential projects in the plan in the last six years. These include Fairhaven Marine Park Shoreline Restoration, Bellingham Cruise Terminal (BCT) Entry Plaza/Round-about Renovation, and Squaticum Gates 6, 7, 8 and 9 enhancements as well as the Harbor Mall Green/Open Space project.

Mr. McHenry reported documentation of community involvement and support is one element used for evaluating grant projects. The 1998 plan included a random sampling of registered Whatcom County voters which measured the amount of support for different types of projects and the 2004 plan surveyed citizens asking them to score projects based on four criteria which was used to prioritize projects.

The next steps for adopting a final Park and Public Access Plan Update involve obtaining Commission direction on the type and level of community involvement, obtaining public opinion, submitting a preliminary draft to local agencies and RCO for comments and holding a public hearing with the goal of having it adopted in the spring of 2011.

3. Update on the Website Development.

In an update on the development of 2010 Website Project, Communications Manager Carolyn Casey reported the advances made in technology in the last 5 years (*since the Port's current website was designed*) will allow for the Port operations to be more efficient and allow the Port to provide more information to the community, business and government partners.

Surveys have shown the Port's current website's most popular pages are the Airport information (parking and specific airline information), Marina, Cruise Terminal (parking and ferry information), Port news, Contacts, Jobs and Facility Rentals. In comparison to the new website, the current website is not as responsive and innovative and it does not have a search engine whereas the new website will.

In addition to improving the community / customer experience, Ms. Casey added these key website project goals:

- improve software performance and flexibility
- simplify and improve staff training and website updates
- improve two-way communication (launching social media)
- allow easy on-line payments
- increase transparency
- share Port history while keeping more current
- meet the State records retention standards

Ms. Casey explained the next steps in developing the Port's new website involve re-tooling the web content, site development and testing, ongoing staff training and launching the new website at the beginning of next year.

4. Update on the Meetings and Events Program.

Meeting Facility Coordinator Jerry McGarity presented an overview of the Meetings and Events Program for the past year in review. Mr. McGarity reported the revenues for the Meetings and Events Program have never offset expenses, typically operating at about 70% to cover the expenses. With the goal of increasing revenue, Mr. McGarity identified five potential initiatives to assist in that endeavor:

1. New Port website launching at the beginning of the year (*enhancing visibility, marketing and customer service- offering virtual tours and the ability to check calendar availability*)
2. "Trade show type" marketing panels (*showcasing the parks and buildings, and listing the services offered*)
3. Working with other divisions to redesign how Port uses meeting and event resources
4. Developing a booking/catering "express" program for certain events (*customers would reserve a space and order box meals through the Port*)
5. Improving the Port's public assets to keep the standard of maintenance high and guarantee customer satisfaction

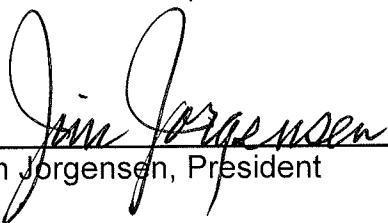
Mr. McGarity added that three new Port spaces became available to rent out in 2010, including the Technology Development Center (TDC) at 1000 F. Street and facilities at 625 Cornwall Avenue and 921 Cornwall Avenue. In addition to weddings (*currently the majority of*

bookings) and other social occasions, the focus is being placed on the business market to increase daytime bookings.

In closing, Mr. McGarity announced the Squaticum Boathouse was voted Best Venue and the Meetings and Events team Best Customer Service on TheKnot.com 2010 Best of Weddings Winners list. Commission President Jorgensen read the engraving on the plaque to the audience and congratulated the staff on receiving this award.

ADJOURN

As there was no further business, the meeting was adjourned at 4:08 p.m.



Jim Jorgensen, President



Scott L. Walker, Secretary