

**MINUTES OF THE PORT OF BELLINGHAM COMMISSION MEETING
HELD TUESDAY, DECEMBER 1, 2009
HARBOR CENTER BUILDING CONFERENCE ROOM
1801 ROEDER AVENUE, BELLINGHAM, WASHINGTON**

Present:	Scott L. Walker	President
	Jim Jorgensen	Vice President
	Douglas G. Smith	Secretary
Staff:	Fred J. Seeger	Interim Executive Director
	Rob Fix	Chief Financial Officer
	Art Choat	Director, Aviation
	Mike Stoner	Director, Environmental Programs
	Dan Stahl	Director, Marine Services
	Sylvia Goodwin	Director, Planning and Development
	Lydia Bennett	Director, Real Estate
	Elizabeth Monahan	Human Resources Manager
	Camille Gatza	Human Resources/Payroll Coordinator
	Dodd Snodgrass	Economic Development Specialist
	Adam Fulton	Project Engineer
	Ally Vincent	Event Facility Coordinator
	Frank Chmelik	Port Counsel
	Mary Matyas	Executive Secretary

CALL PUBLIC MEETING TO ORDER AND RECESS TO CLOSED EXECUTIVE SESSION

At 1:00 p.m., Commissioner Walker called the Commission meeting to order and immediately recessed to a closed executive session to discuss real estate transactions, pending litigation and personnel matters pursuant to RCW 42.30.110(1)(c) and RCW 42.30.110(1)(i). Commissioner Walker noted that no formal action would be taken during the closed session and he expected the closed executive session to last approximately two (2) hours.

RECONVENE PUBLIC MEETING

The Commission meeting was reconvened at 3:20 p.m.

PUBLIC COMMENT PERIOD

There were no public comments.

CONSENT AGENDA

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

- A. Approve minutes of the November 3, 2009, and November 17, 2009, regularly scheduled Commission meetings.
- B. Approve Voucher Certification October 28-November 18, 2009, totaling \$2,704,479.44.
- C. Approve a Modification of Airport Lease between the Port of Bellingham and SIS Flight, LLC consenting to the formation of a condominium association.

Commissioner Doug Smith requested Consent Agenda Item C. be pulled from the Consent Agenda for discussion. Commissioner Smith requested staff note the term "horizontal boundary" (Exhibit E, Declaration of Covenants, Conditions, Restrictions and Reservations for SIS Flight Hangar Condominium, 6.9 Demising Wall. page 10) explaining the term is confusing since the term is being used to describe a vertical plane. Mr. Frank Chmelik, Port legal counsel, explained that Port legal staff had not reviewed the Declaration of Covenants document since it was between condominium owners, but by approving the Modification of Airport lease document, the Commission is agreeing to Exhibit E, Declaration of Covenants, Conditions, Restrictions and Reservations for SIS Flight Hangar Condominium. Mr. Chmelik, and Ms. Lydia Bennett, Director of Real Estate, suggested the item be pulled from the agenda, the question be addressed, and then the item be brought forward again to the Commission at their December 15 meeting. Ms. Bennett, when asked by the Commission, noted she did not foresee a problem for the tenant with the delay in approving the modification of lease.

Amended motion: Approve Consent Agenda items A. and B. as follows:

- A. Approve minutes of the November 3, 2009, and November 17, 2009, regularly scheduled Commission meetings.
- B. Approve Voucher Certification October 28-November 18, 2009, totaling \$2,704,479.44.

Motion approved with a 3-0 vote.

NEW BUSINESS

1. EXECUTIVE DIRECTOR SEARCH

Commissioner Walker introduced Ms. Elizabeth Monahan, the new Human Resources Manager for the Port of Bellingham, noting she earned a Masters Degree in Labor and Industrial Relations from Michigan State University; spent 14 years with Weyerhaeuser in Washington State working her way from intern to Area Human Resources Manager for the Containerboard Packaging and Recycling Business where she managed all aspects of human resources; and for the past four (4) years she has been the Labor Relations Manager at Western Washington University. Commissioner Walker explained to Ms. Monahan that the Executive Director search had been put on hold because it was becoming an election issue (two [2] Port Commissioners were up for re-election) and the Commission did not want the

Port's search for an Executive Director to become a political issue. He noted Ms. Monahan had only been working for the Port for two (2) days, but asked that she move forward on the Executive Director search and report to the Commission on the matter in January.

2. 2010 BENEFITS RENEWALS

Motion: Authorize the Interim Executive Director to execute the necessary contracts and employment practices for the implementation of the 2010 Employee Benefits Program. The contracts are:

- Regence BlueShield – Medical – Innova 100/100/70 (\$20 co-pay)
- Lincoln Financial – Life & Accidental Death and Dismemberment and Long-Term Disability
- Health Promotion Network – Employee Assistance

Discussion: Ms. Camille Gatza, Human Resources/Payroll Coordinator, reported the Port would be staying with the same provider, but change to the Innova Plan which still covers 100% with \$20 co-pay for preferred providers. The new plan has \$35 co-pay and a 70% coinsurance for participating and non-participating providers. Ms. Gatza reported that the Port's approved budget includes a 10% increase for benefits; the employee premium share will also increase. Ms. Gatza reported the other employee benefit programs did not increase (long-term disability, employee assistance program, dental and vision, life and accidental death).

Motion approved with a 3-0 vote.

3. TECHNOLOGY ALLIANCE GROUP (TAG) SPECIAL PROJECT CONTRACT 2009

Motion: Authorize the Interim Executive Director to sign a contract with the Bellingham/Whatcom Technology Alliance Group (TAG) for \$9,500 utilizing funds from the 2009 Industrial Development Corporation budget.

Discussion: Mr. Dodd Snodgrass, Economic Development Specialist, reported the Technology Alliance Group (TAG) is a non-profit organization established to promote, educate, and advocate for technology business to help accelerate the development and growth of innovation driven, technology-based industries in Whatcom County. He noted that in early 2009, with support from the Port, TAG completed an on-line business directory of 600 companies and a research and development survey of research capacity. Ms. Anna Ehnmark, Executive Director of TAG, explained that the proposed funding would be used to expand the survey to develop a Technology/Innovation-based Business Knowledgebase; this will provide details on business' research needs, collaborative opportunities with area higher education and promote opportunities in the Waterfront Innovation Zone.

Motion approved with a 3-0 vote.

4. AUTHORIZE AMENDMENT ONE TO THE PROFESSIONAL SERVICES AGREEMENT WITH LANDAU ASSOCIATES FOR BATHYMETRIC SURVEY OF THE GATE 2 HABITAT BENCH

Motion: Authorize the Interim Executive Director to amend the Professional Services Agreement with Landau Associates, Inc. to perform services associated with a site-specific Bathymetric survey of the Gate 2 Habitat Bench in the amount of \$17,700 increasing the total authorized contract amount to \$27,700.

Discussion: Mr. Fred Seeger, Director of Facilities, reported the proposed amendment, related to the marine habitat bench created as part of the mitigation requirement of the Gate 2 Boatyard project in 2004 (Seaview North) includes services associated with conducting a site-specific bathymetric survey of the habitat bench in order to provide more accurate data on its physical characteristics and information needed to facilitate future design of habitat bench replenishment. The scope of work includes regulatory coordination of the habitat bench replacement; bathymetric survey, data evaluation and reporting; and project coordination and management; the term of the PSA will be extended from December 31, 2009, to June 30, 2010. Mr. Seeger noted the cost of the work is covered in the Port's approved 2010 budget as a Real Estate Division operating expense.

Motion approved with a 3-0 vote.

5. HARRIS AVENUE SHIPYARD POTABLE WATER PROFESSIONAL SERVICES AGREEMENT WITH PACIFIC SURVEY AND ENGINEERING

Motion: Authorize the Interim Executive Director to execute a Professional Services Agreement with Pacific Survey and Engineering for the Harris Avenue Shipyard Potable Water Project in the amount of \$33,665.00 plus a 20% contingency for a total authorized contract amount of \$40,000.

Discussion: Mr. Adam Fulton, Project Engineer, reported that the City of Bellingham, as the purveyor of the public water system, contacted the Port regarding the Harris Avenue Shipyard needing to be upgraded to meet recent State Health Department requirements. He noted that upon completion of the potable water system upgrades at Harris Avenue Shipyard, the Port Commission will be asked to approve turning the facilities over to the City of Bellingham for future maintenance and operations. Mr. Fulton explained that the project will provide premise protection (protect the City water system from contaminants), provide point of use protection (protect users from each other), provide an up-to-date fire system and will alleviate the Port from maintaining the system.

Port and City staff selected Pacific Survey and Engineering (through the Request for Professional Services – RCW 39.80) as the best qualified to perform the requested scope of work. The project will be charged to CIP Line Number 329 "Fairhaven Shipyard Potable Water" which is budgeted at \$210,000.

Motion approved with a 3-0 vote.

6. PROMOTIONAL DISCOUNTS FOR MEETING FACILITIES

Motion: Approve a promotional discounts program for the event facilities of the Port. The promotional program will include the use of any one of these options at a time:

- 25% off a full day rental (Monday – Thursday only)
- Book two meetings, get the third meeting at 50% off
- Book a meeting before a certain date and get a 25% discount
- Up to a 25% economic development discount for meetings that qualify per the Port's Economic Development department
- Up to a 25% discount for any new promotions that may be implemented within a marketing campaign.

Discussion: Ms. Ally Vincent, Event Facility Coordinator, reviewed that Meetings and Event staff is working to increase bookings of the Port rental facilities to the business community through an active marketing campaign. To increase revenue, the proposed discounts will be offered to the business community when bookings are low; she explained that staff can judge a slump in the schedule by viewing the reservation software two to three months in advance. The Commission asked when the economic development discount would be utilized and it was discussed that the economic development department will determine which potential meetings/seminars could create business opportunities, job creation and/or a new public benefit and that determination will be conveyed to Meetings and Events staff for application of a discount.

Motion approved with a 3-0 vote.

ADDITIONAL NEW BUSINESS ITEM

7. SALARY ADJUSTMENT FOR INTERIM EXECUTIVE DIRECTOR

Commissioner Walker noted that salary adjustments for the Interim Executive Director, Fred J. Seeger, need to be made at an open public meeting of the Commission; Commissioner Walker would like to add the item to the agenda.

Motion: Approve adjustment of a 2.5% raise (average wage increase for Port employees for 2010) and an additional 3.0% raise to reflect the added value to the Port for the experience Mr. Seeger has gained in the interim position. This will be a total of a 5.5% increase in salary for Mr. Fred J. Seeger effective January 1, 2010.

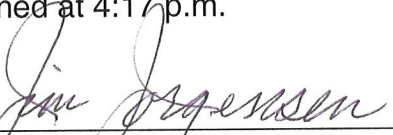
Motion approved with a 3-0 vote.

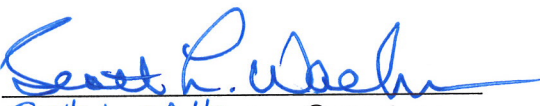
ADDITIONAL ITEM

Commissioner Walker noted that the last scheduled public meeting for the Port Commission for 2009 is Tuesday, December 15. An additional special Commission meeting (closed executive session) will be scheduled on Thursday, December 17, 2009, at 2:00 p.m. to discuss real estate transactions and pending litigation.

ADJOURN

As there was no further business, the meeting was adjourned at 4:17 p.m.


Jim Jorgensen, President


Scott L. Walker, Secretary