

**MINUTES OF THE PORT OF BELLINGHAM SPECIAL COMMISSION MEETING
HELD JUNE 23 AND JUNE 24, 2011
SEMAHMOO CANNERY DAY LODGE
9261 SEMIAHMOO PARKWAY, BLAINE, WASHINGTON**

Present:	Michael McAuley Scott L. Walker Jim Jorgensen	President Vice President Secretary
Staff:	Charlie Sheldon Rob Fix Mike Stoner Fred Seeger Sylvia Goodwin Lydia Bennett Carolyn Casey Elizabeth Monahan Dan Zenk Diane McClain	Executive Director Chief Financial Officer Director, Environmental Programs Director, Facilities Director, Planning and Development Director, Real Estate Communications Manager Human Resources Manager Airport Manager Executive Secretary

CALL TO ORDER

The special Commission meeting was called to order at 8:30 a.m. on Thursday, June 23, 2011.

Chief Financial Officer Rob Fix explained that the two-day budget retreat for the Port of Bellingham Commissioners and senior staff would focus on where we are now in 2011 pertaining to the Strategic Budget and where we are going in 2012.

The Commission was provided an overview of outcomes from 2010 Commission direction and challenges ahead pertaining to the Airport, Shipping Terminal, Shipyard Pier, Squalicum F & G at Gate 3, Blaine Shipyard Industrial area, Environmental issues and Waterfront redevelopment. The Commission heard an update on the Airport Terminal Expansion Project and the available alternatives addressing the continued growth. Mr. Fix also recapped the new opportunities derived from Commission direction in 2011 which resulted in the creation of the 1% economic development fund, log pond/shipping terminal business recruitment, exploration of a new barge facility and marine trades promotion. Brief updates were then provided to the Commission in regards to current and projected Port staffing levels and health care benefits.

ADJOURN COMMISSION MEETING TO JUNE 24

Special Commission Meeting Minutes

June 23 – 24, 2011

Page 2

The meeting was adjourned on Thursday at approximately 4:15 p.m. until Friday, June 24, 2011 at 8:30 a.m. at the same location.

RECONVENE SPECIAL COMMISSION MEETING – JUNE 24

The June 23, 2011, special Commission meeting was reconvened at 8:40 a.m. on Friday, June 24.

The Commission was provided a recap of the Port's environmental insurance policy with Chartis Insurance and an overview of anticipated environmental costs, the Port's current and future budgets in terms of environmental cleanups, MTCA funds and Ecology funding. Port staff reviewed and shared information with the Commission on the Port's overall financial picture including cash flow, debt obligations, bonding capacity, grants and trends. Policies were reviewed in terms of the budget including use of tax revenues, and the 5 year forecast on capital projects.

An update regarding the Airport, Marine Terminals, and Bellingham Waterfront District/Whatcom Waterway Cleanups and the Blaine Industrial Area was followed by Commission/staff discussion. There was also discussion regarding business development opportunity and cost. Port priorities, action steps, and needed direction and financing to accomplish goals were topics included in both of these discussions.

ADJOURN

The special Commission meeting was adjourned at approximately 2:30 p.m. on June 24, 2011.

Michael McAuley, President

Jim Jorgensen, Secretary