

**MINUTES OF THE PORT OF BELLINGHAM COMMISSION MEETING
HELD TUESDAY, NOVEMBER 15, 2011
HARBOR CENTER BUILDING CONFERENCE ROOM
1801 ROEDER AVENUE, BELLINGHAM, WASHINGTON**

Present:	Michael McAuley	President
	Scott L. Walker	Vice President
	Jim Jorgensen	Secretary
Staff:	Charlie Sheldon	Executive Director
	Rob Fix	Chief Financial Officer
	Art Choat	Director, Aviation
	Mike Stoner	Director, Environmental Programs
	Fred J. Seeger	Director, Facilities
	Dan Stahl	Director, Marine Services
	Sylvia Goodwin	Director, Planning and Development
	Lydia Bennett	Director, Real Estate
	Frank Chmelik	Port Counsel
	Diane McClain	Executive Secretary

CALL PUBLIC MEETING TO ORDER AND RECESS TO CLOSED EXECUTIVE SESSION

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

RECONVENE PUBLIC MEETING

The Commission meeting was reconvened at 3:04 p.m.

PUBLIC COMMENT PERIOD

1. Chet Lackey, 900 Dupont, Bellingham, WA 98225 – Zephyr Lease assignment- Mr. Lackey asked for information pertaining to an expiring Purchase and Sale Agreement between the Port and People’s Bank for the Boondocks property. Commissioner McAuley reported that there may be a related upcoming agenda item on the December 5, 2011 Commission meeting.
2. Mike Murphy, 836 West Smith, Bellingham, WA – 2011 November Election – 2011 Port Commissioner candidate and Public Utility Department (PUD) Commissioner Mike Murphy congratulated Commissioner Jorgensen on being re-elected and offered his support and continued partnership with the PUD.

RECESS TO PUBLIC HEARING REGARDING THE 2012 OPERATING AND CAPITAL BUDGET AND CLOSE THE PUBLIC HEARING AND RECONVENE COMMISSION MEETING

Chief Financial Officer Rob Fix reported that the purpose of the public hearing was to receive comment on the Preliminary 2012 Operating and Capital Budget and as no one responded to the request for comment, the public hearing was closed and the regular Commission meeting reconvened.

ACTION ITEMS

1. PORT RESOLUTION NO. 1303 - 2012 STRATEGIC BUDGET AND PORT RESOLUTION NO. 1304 - REGULAR PROPERTY TAX LEVY.

Motion: Adopt Resolution No. 1303 approving the 2012 Strategic Budget and Resolution No. 1304 authorizing the regular property tax levy and declaring a substantial need to maintain the maximum levy capacity.

Discussion: Chief Financial Officer Rob Fix reported that the two proposed resolutions for the adoption of the 2012 Strategic Budget and 2012 Property Tax Levy reflect a decrease in property taxes to be collected on Whatcom County existing properties and anticipates banking a tax levy amount of \$6,719,000, compared to an anticipated 2011 tax levy collection of \$7,151,969.

Commissioner McAuley asked Port staff to continue to focus on the Port's mission statement, providing transportation and economic development.

Motion approved with a 3-0 vote.

2. AMENDMENT NO. 7 TO THE INTERAGENCY AGREEMENT FOR THE BELLINGHAM BAY DEMONSTRATION PILOT.

Motion: Authorize the Executive Director to execute Amendment No. 7 to the Interagency Agreement with the Department of Ecology for the Bellingham Bay Demonstration Pilot to adjust the scope, increase the budget by \$425,000, and extend the completion date to June 30, 2013.

Discussion: Environmental Director Mike Stoner explained that in 1996, the Bellingham Bay Demonstration Pilot formed a cooperative partnership among federal, state, local and tribal agencies with the Port and Ecology, acting as the co-managers. An existing Interagency Agreement supports the coordination between agencies and provides Model Toxic Controls Act (MTCA) funding, restoration and cleanup assistance. Mr. Stoner further explained that under the proposed Amendment No. 7, Ecology is providing \$425,000 in additional funding to support engineering design and construction support for habitat restoration at Squalicum Creek, Little Squalicum Creek and eel grass seed placement and monitoring in the GP Log Pond.

Motion approved with a 3-0 vote.

3. AMENDMENT TO THE PROFESSIONAL SERVICES AGREEMENT WITH COAST & HARBOR ENGINEERING (CHE) FOR THE LITTLE SQUALICUM BEACH PROJECT.

Motion: Authorize the Executive Director to amend the Professional Services Agreement with Coast & Harbor Engineering (CHE) to perform subsurface investigations, create a design report, and refine the design alternatives for the Little Squalicum Beach Improvements Project in the amount of \$19,910 for a total authorized contact amount of \$58,910.

Discussion: Project Engineer Adam Fulton explained that the Bellingham Bay Demonstration Pilot (Pilot) and an existing Interagency Agreement with Ecology supports cleanup and restoration efforts toward improving the environmental health of Bellingham Bay. The northwest shoreline of the Mt. Baker Peninsula has been identified as a priority habitat restoration opportunity by the Pilot. Mr. Fulton further explained that the scope of work under the proposed amendment would provide limited sediment sampling and testing and a narrative preliminary design report to evaluate developed alternatives.

Motion approved with a 3-0 vote.

4. BELLINGHAM SHIPPING TERMINAL PIER REPAIR, CATHODIC PROTECTION AND ARROWAC PIER REPAIR PROJECT.

Motion: Authorize the Executive Director to execute a contact with Quigg Bros., Inc. of Aberdeen, Washington for the Bellingham Shipping Terminal Pier Repair, Cathodic Protection and Arrowac Pier Repair Project in the amount of \$634,155.80 plus a 10% contingency of \$63,145.00 for a total authorized contract amount of \$697,300.80.

Discussion: Project Engineer Norm Gilbert explained that the multi-year project is a combination of two capital projects at the Bellingham Shipping Terminal plus one storm damage repair project near the Bellingham Cruise Terminal. Mr. Gilbert further explained that the cost of the two capital projects have been allocated in the 2011 Capital Improvements Projects budget while the cost of the third repair project will be submitted under the Port's storm damage insurance claim.

Motion approved with a 3-0 vote.

5. AMENDMENT NO. 4 TO THE PROFESSIONAL SERVICES AGREEMENT (PSA) WITH ANCOR QEA FOR THE SQUALICUM CREEK RESTORATION PROJECT.

Motion: Authorize the Executive Director to amend the Professional Services Agreement (PSA) with Anchor QEA to perform subsurface investigations for the Squalicum Creek Restoration Project in the amount of \$22,810 for a total authorized PSA amount of \$507,460.

Discussion: Project Engineer Adam Fulton explained that the Bellingham Bay Demonstration Pilot (Pilot) and an existing Interagency Agreement with Ecology supports cleanup and restoration efforts toward improving the environmental health of Bellingham Bay. The Squalicum Creek estuary has been identified as a priority habitat restoration opportunity by the Pilot. Mr. Fulton further explained that the remaining habitat restoration work has been split into three phases to allow for flexibility in timing and funding sources and that the scope of work under the proposed amendment will provide soil sampling, chemical testing, reporting and project management at the site over the next few months.

Motion approved with a 3-0 vote.

6. INTERLOCAL AGREEMENT WITH KING COUNTY DIRECTOR'S ASSOCIATION PURCHASING COOPERATIVE (KCDA).

Motion: Authorize the Executive Director to execute an Interlocal Agreement with the King County Director's Association Purchasing Cooperative (KCDA) making the Port an Associate Member.

Discussion: Project Engineer Adam Fulton explained that the KCDA is a nonprofit purchasing and procurement of services cooperative formed by King County school districts in 1938 for the purpose of saving money through volume purchasing, filling bid law requirements, and offering single source purchasing to its owners and associate members. Mr. Fulton further explained that through the cooperative program, the Port will be able to save over \$1700 when contracting to move and store the modular units at the Bellingham International Airport.

Motion approved with a 3-0 vote.

WORK-STUDY SESSION

1. Update – The Marine Trades

Maritime Director Dan Stahl reported that following Commission direction in March, staff focused on the marine trades by working to promote and market all marine related businesses in Whatcom County. Further, staff has attended trade shows and developed a 2011- 2012 Marine Trades Directory. Mr. Stahl also explained that the newly created maritime directory is a product of several Port staff persons working with many Whatcom County marine service providers to gather input and publish their contact information in a spiral bound directory, at no cost to them. Mr. Stahl added that these directories will be made available at the upcoming trade shows and expos and that each participating business will receive a complimentary issue with a request for feedback prior to printing subsequent issues.

2. Update – I & J Waterway Remediation Investigation/Feasibility Study (RI/FS).

Environmental Director Mike Stoner reported that the Remediation Investigation/ Feasibility Study (RI/FS) for the I & J Whatcom Waterway site, a Federal channel, has been on hold pending new dioxin and data collection criteria for the site. Mr. Stoner further reported that the sampling of the dredged materials should be completed in spring of 2012 and the amended Agreed Order and Work Plan to perform the RI/FS and an Updated Cost Share Agreement shall be presented early in 2012 as well.

NEW BUSINESS

Commissioner McAuley reported that the next Commission meeting would be Monday, December 5th

ADJOURN

As there was no further business, the meeting was adjourned at 4 50 p.m.

Michael McAuley, President

Jim Jorgensen, Secretary