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CONSENT AGENDA

Motion: To adopt Consent Agenda items A through C as follows:

- A. Approval of the Consent to Assignment of Lease from Mulford Martin and Michelle Martin d/b/a Zazen Salon Spa to SKM Enterprises, LLC a/k/a Zazen Salon Spa.
- B. Approval of the Modification of Lease between the Port of Bellingham and SKM Enterprises LLC a/k/a Zazen Salon Spa.
- C. Approve Amendment No. 3 of the Terminal Services Agreement exercising the 1st of five renewal options to extend ticketing & reservation services for the Alaska Marine Highway System (AMHS) beginning October 1, 2012 - September 30, 2015.

Discussion: None.

Motion approved with a 2-0 vote.

ACTION ITEMS:

1. RENEWAL AND MODIFICATION OF LEASE FOR PACIFIC CRUISES NORTHWEST, INC. D/B/A SAN JUAN CRUISES

Motion: Approval of a Renewal and Modification of Lease between the Port of Bellingham and Pacific Cruises Northwest, Inc.,

Discussion: Maritime Director Dan Stahl explained that Pacific Cruises Northwest Inc. have been a Port tenant since 1991 when they were Gray Line Cruises and Tours, Inc. and there have been many renewals and modifications to the lease since. Mr. Stahl added that the proposed renewal and modification of lease agreement is the first of four (4) one-year renewal options and the monthly rent for the office and warehouse space would remain the same.

Motion approved with 2-0 vote.

RECESS THE PUBLIC MEETING TO OPEN THE PUBLIC HEARING WITH REGARD TO THE 2013 STRATEGIC BUDGET

Executive Director Rob Fix explained that the purpose of the public hearing was to receive comments on the proposed 2013 Port of Bellingham Strategic Budget.

PUBLIC COMMENT PERIOD:

There was none.

CLOSE THE PUBLIC HEARING AND RECONVENE THE PUBLIC MEETING

2. APPROVAL OF THE 2013 STRATEGIC BUDGET AND PROPERTY TAX LEVY AS REFERENCED IN RESOLUTIONS NO. 1317 AND 1318.

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Motion: Adopt Resolution No. 1317 approving the 2013 Strategic Budget and Resolution No. 1318 authorizing the regular property tax levy and declaring a substantial need to maintain the maximum levy capacity.

Discussion: It was reported that following the 2013 Draft Strategic Budget published on October 25, 2012, and public hearings on November 6 and November 20, 2012, the Port must submit its approved 2013 operating budget to the Whatcom County Executive's office by Monday, December 3, 2012, per state statute. The proposed Port Resolution No. 1317 approves the 2013 draft budget and establishes the requested property tax levy collection amount at \$6,719,000 for 2013, while proposed Resolution No. 1318 sets the levy amount to be collected at \$6,719,000, and is intended to maintain the maximum levy capacity for substantial need, as required in Referendum No. 47.

Motion approved with 2-0 vote.

3. 2013 EMPLOYEE BENEFITS PROGRAM

Motion: Authorize the Executive Director to execute the necessary contracts and employment practices for the implementation of the 2013 Employee Benefits Program. The contracts are:

- Regence BlueShield - Medical- Innova \$200/\$600 deductible, 100%/70% coinsurance with a \$20 co-pay,
- Trusteed Plans Service Corporation - Dental/Vision Reimbursement Plan and Savings Accounts (Flex Plan replacement)
- Lincoln Financial - Life & Accidental Death and Dismemberment and Long-Term Disability
- Health Promotion Network - Employee Assistance
- Wells Fargo - Broker

Discussion: Human Resources Director Elizabeth Monahan explained that other than the change from Flex Plan to the Trusteed Plans Service Corporation, and a slight cost increase of less than \$10 per month for Employee Assistance Plan benefits, the proposed 2013 employee benefits program remains the same as 2012. Ms. Monahan further explained that by switching to the Trusteed Plans Service Corporation, the Port will receive the external audit of the reimbursement program / procedure suggested by the state auditors. The Commissioners and senior staff agreed that 2014 may bring significant changes in benefits and costs and that staff should begin researching various available options for 2014, including self-insurance options.

Motion approved with 2-0 vote.

RECESS THE PUBLIC MEETING AND OPEN THE PUBLIC HEARING ON THE 2013 COMPREHENSIVE SCHEME OF HARBOR IMPROVEMENTS

Planning and Development Director Sylvia Goodwin explained that the purpose of the public hearing was to receive comments on the proposed Comprehensive Scheme of Harbor Improvement amendments.

PUBLIC COMMENT PERIOD:

There were none.

CLOSE THE PUBLIC HEARING AND RECONVENE THE PUBLIC MEETING.

4. APPROVAL OF RESOLUTION NO. 1316 ADOPTING UPDATE TO VARIOUS COMPREHENSIVE SCHEME OF HARBOR IMPROVEMENTS PLANS IN WHATCOM COUNTY, WASHINGTON.

Motion: Approve Resolution No. 1316 incorporating the capital projects contained in the 2013 Strategic Budget into the Port of Bellingham's various Comprehensive Schemes of Harbor Improvement plans in Whatcom County, Washington as follows:

- The Blaine Wharf District Master Plan.
- The Sumas International Cargo Terminal Comprehensive Scheme of Harbor Improvements.
- The Airport Master Plan.
- The Comprehensive Scheme of Harbor Improvements for Squalicum Harbor.
- The Bellingham Shipping Terminal Master Plan.
- The Fairhaven Comprehensive Scheme of Harbor Improvements.

Discussion: Planning and Development Director Sylvia Goodwin explained that purpose of periodically updating the various Comprehensive Schemes of Harbor Improvement plan is to reflect current projects and cost allocations incorporated in the Port's Strategic Budget.

Motion approved with 2-0 vote.

Click here for presentation:

Work Study Session

1. Update - Subarea Plan

Planning and Development Director Sylvia Goodwin and Environmental Programs Director Mike Stoner presented a Waterfront Redevelopment Status Report including the planning progress year to date and revising the 2010 Subarea Plan. Ms. Goodwin explained that following the recent land transaction, planning documents and agreements are near completion, and the Port is on target for submitting the Subarea Plan and Development Regulations by the end of the year. Ms. Goodwin added that the goals for revising the 2010 Subarea Plan identify the best uses for each area, recalibrate to reflect and address economic realities, brownfield issues and cleanup, infrastructure phasing and job creation. Mr. Stoner outlined the conceptual key changes to the Log Pond Area, GP Wharf, Bridges and Rail Phasing, Boundaries and Density, Structures, Parks, and the Marina Timing. The Next Steps will involve obtaining 1) the Waterfront Advisory Group (WAG) input, 2) review by the City's Planning Commission, then 3) form legislative review of the Subarea Plan and all related agreements and regulations by the Port Commission and City Council, and finally 4) approval of a final package of documents by the Port Commission and City Council later in 2013.

NEW BUSINESS

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1. Staff International Travel Request

Commission approved a request for Economic Development Specialist John Michener to travel to Canada in the proximity of the week November 19, 2012, depending on the availability of appointment scheduling.

ADJOURN

As there was no further business, the meeting was adjourned at 4:25 p.m.

Scott L. Walker, President

Michael McAuley, Secretary