

**MINUTES OF THE PORT OF BELLINGHAM COMMISSION MEETING  
HELD TUESDAY, JANUARY 6, 2015  
HARBOR CENTER BUILDING CONFERENCE ROOM  
1801 ROEDER AVENUE, BELLINGHAM, WASHINGTON**

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Present:	Commissioners:	Michael McAuley Dan Robbins Jim Jorgensen
Staff:	Rob Fix Dan Zenk Mike Stoner Tamara Sobjack Fred Seeger Elizabeth Monahan Dan Stahl Sylvia Goodwin Shirley McFearin Dodd Snodgrass John Michener Carol Williams Frank Chmelik Diane McClain	Executive Director Aviation Director Environmental Programs Director Finance Director Facilities Director Human Resources Director Maritime Director Planning and Development Director Real Estate Director Economic Development Specialist Economic Development Specialist Maintenance Supervisor Port Counsel Executive Secretary

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**CALL PUBLIC MEETING TO ORDER AND ROLL CALL**

Commission President McAuley called the meeting to order at 3:00 p. m.

**PUBLIC COMMENT PERIOD**

The following persons signed up for public comment:

1. Yoshi Revelle –Bellingham, WA- Change of Emphasis - Mr. Revelle stated that he had two comments- the first being the lack of women on the board of Commissioners. Mr.Revelle then produced a dollar bill and urged the group to remember that we do not serve the dollar.
2. Chris Johnson- 2900 Madrona, Bellingham – Waterfront Redevelopment- Mr. Johnson urged family wage jobs/marine trade jobs on the waterfront, attract business that will benefit the public.

**ACTION ITEMS:**

**1. SELECT THE BOARD OF COMMISSION OFFICERS FOR 2015.**

Motion: Select Commission Officers for President, Vice President, and Secretary of the Port of Bellingham Board of Commissioners for the 2015 Calendar Year.

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Discussion: After some discussion, the Commission decided to revisit the past practice of rotating officers and consider other criteria when selecting officers in the future. For the 2015 calendar year, the Commission recommended the following appointments:

President: Dan Robbins  
Vice President: Jim Jorgensen  
Secretary: Michael McAuley

Motion approved with 3-0 vote. The Commission then moved to the chairs of the appointed positions and Commission President Robbins presided over the remainder of the Commission meeting.

## **ESTABLISH DATES, TIMES, AND LOCATION OF REGULAR PORT COMMISSION MEETINGS FOR 2015.**

Motion: Establish the dates, times, and location of regular Port of Bellingham Commission meetings for the 2015 Calendar Year.

Discussion: The schedule of Commission meetings on the first and third Tuesdays of the month at 3:00 p.m. was discussed when Commissioner McAuley suggested the regular meetings be moved to a later time. Commissioner Robbins recalled the Commission discussing moving to evening meetings last year and the majority of people he spoke to favored keeping the meetings in the afternoons. Commissioner Jorgensen stated he was willing to consider the idea but preferred keeping the 3:00 p.m. meetings.

Motion approved with 3-0 vote. The Commission unanimously decided to continue the regular 3:00 p.m. first and third Tuesday meeting schedule, canceling the first meeting in August.

## **2. APPOINT COMMISSIONERS TO SERVE AS REPRESENTATIVES AND BOARD MEMBERS FOR 2015.**

Motion: To approve the appointment of Commissioners to serve as representatives or board members for the following organizations or committees during 2015.

Discussion: The Commission selected the following appointments for the 2015 calendar year:

	<u>Primary</u>	<u>Secondary</u>
Whatcom Council of Governments (WCOG)	Jim Jorgensen	Michael McAuley
Washington Public Ports Association (WPPA) Trustee	Michael McAuley	Dan Robbins
Whatcom County Economic Development Investment (EDI)	Michael McAuley	Dan Robbins
Western Crossing	Dan Robbins	Jim Jorgensen

Motion approved with 3-0 vote.

Note: The Commissioners did not appoint a Commissioner to serve as a representative for the Association of Pacific Ports (APP) or American Association of Port Authorities (AAPA), concurring that if the need arose, they would appoint someone. For all other official public meetings, it was decided that the Commission President will normally attend on behalf of the Port and if unable, an alternate will be asked to attend. The Commissioners agreed that on occasion, one or more may choose to attend meetings such as the Marina Advisory Committee (MAC) and the Bellingham International Airport Advisory Committee (BIAAC) as a guest.

### **3. RESOLUTION NO. 1106-Q, DELEGATION OF POWERS TO EXECUTIVE DIRECTOR.**

Motion: Approve Resolution No. 1106-Q, delegating certain administrative powers and duties to the Executive Director.

Discussion: Executive Director Rob Fix explained that Port Resolution No. 1106 is a policy that frameworks the Commission's delegation of authority to the Executive Director. This resolution is revised as needed, reviewed by legal counsel, and adopted by the Commission annually. Mr. Fix added that the proposed version 1106-Q includes a few minor changes from the 1106-P adopted in January 2014. The proposed changes reflect minor edits in language in the sections regarding real estate lease documents, purchasing procedures pertaining to emergency contracts for acquisition of materials, equipment, supplies and services, and a section added on policy governing application and acceptance of grants.

Motion approved with 3-0 vote.

### **CONSENT AGENDA**

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

- A. Approve the appointment of Director of Finance Tamara Sobjack as Port Auditor, and appoint Accounting Supervisor Valerie Schorr as Deputy Auditor, for fiscal year 2015.
- B. Approve Resolution No. 1029-T authorizing the Executive Director to sell property valued at ten thousand dollars (\$10,000) or less and superseding Resolution No. 1029-S, dated January 7, 2014.
- C. Approve Resolution No. 1183-L designating the Director of Finance as responsible official for the purpose of issuing statements of official intent to seek reimbursement of capital projects costs through the issuance of tax exempt bonds.
- D. Authorize the Executive Director to adjust the Meetings & Events Rental Rate schedule for 2015.
- E. Reaffirm the utilization of Chmelik, Sitkin, & Davis, P.S., Attorneys at Law, as the Port's general legal counsel, with their hourly rate at the capped rate of \$250.00, effective January 1, 2015, for principals, and actual billing rates for associates and paralegals.

- F. Authorize the Port's legal counsel to enter into contracts with Anchor QEA, LLC, and other consultants (including Floyd-Snyder and Landau Associates, Inc.) to provide technical expertise in support of the legal work related to the Environmental Department up to a total of \$165,322.
- G. Approval of a motion adopting the Port of Bellingham's Rental Revenue Standards for Fiscal Year 2015.
- H. Approval of a motion adopting the Liability Insurance Standards for Port of Bellingham agreements for Fiscal Year 2014.
- I. Authorize the Executive Director to execute a one year Interlocal Agreement with the City of Bellingham for the 2015 reciprocal use of public facilities for up to a maximum of three uses per, per each user.
- J. Approval of a Modification of Lease with Superior Energy Services, LLC located at the Bellingham Shipping Terminal.
- K. Approval of a Use Permit with Puglia Engineering Inc. d/b/a Fairhaven Shipyard (Puglia) for temporary non-exclusive parking at the Bellingham Cruise Terminal long term parking facility.
- L. Authorize the Executive Director to sign the 2015 Master Agreement with Bellingham Whatcom County Tourism.

Discussion: The Commission briefly discussed Consent Agenda item E and Commissioner McAuley asked that the Commission review the contract with Chmelik, Sitkin and Davis before the end of calendar year 2015.

Motion approved with a 3-0 vote.

## **PRESENTATIONS**

### **1. Nooksack Loop Trail (NLT)**

Executive Director Rob Fix introduced Daniel Tepper, President of the Whatcom Parks & Recreation Foundation. Mr. Tepper explained the reason for his visit was to seek support for Nooksack Loop Trail (NLT) signage provided by the NLT group to be placed on bollards in a section of the loop trail that utilizes a portion of an existing trail on Port property. The trail is composed of segments from former trail efforts such as the Coast Millennium, the Nooksack River, and the Bay to Baker Trails. Mr. Tepper added that the overall 45 Nooksack Loop Trail has been in the planning since early 1970s and when completed, will connect four cities and twelve parks within Whatcom County. Mr. Tepper produced maps and information for Commission consideration. Upon further discussion the following motion was made:

Motion: Approve the renaming of the Port trail in Marine Drive Park to the Nooksack Loop Trail and hang signs on the bollards indicating such.

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Discussion: There was no additional discussion.

Motion approved with a 3-0 vote

## **2. Update – Economic Development 2014**

Economic Development Specialists Dodd Snodgrass and John Michener presented an overview of the Port's Economic Development division's accomplishments for 2014. The team spoke of beneficial 2014 outreach for community development and involvement opportunities, multiple informative site visits throughout the county and noted several local companies with retention and/or expansion successes. Mr. Snodgrass and Mr. Michener also provided information on 2014 trade show participation and presented examples of building relationships with businesses locally and in Canada.

### **• RECESS PUBLIC MEETING AND OPEN INDUSTRIAL DEVELOPMENT CORPORATION (IDC) BOARD MEETING**

#### **A. APPOINTMENT OF IDC OFFICERS FOR THE 2015 IDC BOARD MEETINGS.**

Motion: Select the officers for the Industrial Development Corporation (IDC) Board of Directors for the 2015 calendar year.

Discussion: The Commission agreed to appoint the same officers for the 2015 IDC Board of Officers as selected for the 2015 Port of Bellingham Commission Board of Officers. A recommendation was made to appoint Tamara Sobjack, Finance Director to the Treasurer position. The following board of IDC officers for calendar year 2015 was presented for a vote:

- |    |                 |                 |
|----|-----------------|-----------------|
| 1  | President:      | Dan Robbins     |
| 2. | Vice President: | Jim Jorgensen   |
| 3. | Secretary:      | Michael McAuley |
| 4. | Treasurer:      | Tamara Sobjack  |

Motion approved with 3-0 vote.

#### **ESTABLISHMENT OF DATE, TIME, LOCATION OF 2015 IDC BOARD MEETINGS.**

Motion: Establish the date, time and location of the Industrial Development Corporation (IDC) board meetings for the 2015 calendar year.

Discussion: The Commission agreed that as needed, the dates, times, and location of Port of Bellingham IDC meetings for the 2015 calendar shall coincide with the dates, times and location of the 2015 Port of Bellingham Commission meetings.

Motion approved with 3-0 vote.

#### **B. APPROVE THE MINUTES OF THE JANUARY 7, 2014, IDC BOARD MEETING.**

Motion: Adopt the minutes of the January 7, 2014, Industrial Development Corporation (IDC) board meeting.

Discussion: None

Motion approved with 3-0 vote.

**C. APPROVE THE 2015 IDC BUDGET AND AUTHORIZE THE IDC TREASURE TO APPROVE THE DISTRIBUTION AND PAYMENT OF IDC FUNDS IN CONJUNCTION WITH THE BUDGET.**

Motion: Authorize a 2015 budget for the Industrial Development Corporation (IDC) totaling revenues of \$29,220 and expenditures of \$21,500 as outlined through the attached budget, authorize the IDC Treasurer to approve the distribution and payment of IDC funds in conjunction with this budget, and declare \$66,250 of the balance of IDC funds surplus and transfer to the Port Economic Development Outside Services Budget.

Discussion: Executive Director Rob Fix explained that the Port's Industrial Development Corporation (IDC) charges a fee to issuers of Industrial Revenue Bonds (IRBs). Mr. Fix further explained that these fees (1/10 of 1% of the outstanding balance) are accumulated in a separate account for Economic Development purposes only.

Motion approved with 3-0 vote.

- **CLOSE INDUSTRIAL DEVELOPMENT CORPORATION (IDC) BOARD MEETING AND RECONVENE PUBLIC MEETING**

**ACTION ITEMS**

**4. SERVICES AGREEMENT WITH WESTERN WASHINGTON UNIVERSITY FOR ECONOMIC DEVELOPMENT SERVICES AND ASSOCIATED BUDGET AMENDMENT.**

Motion: Amend the 2015 budget to increase the Economic Development Outside Services budget by \$66,250 and authorize the Executive Director to sign a Services Agreement between the Port of Bellingham and Western Washington University (WWU) in the amount of \$225,000 to fund Small Business Development Center services.

Discussion: Economic Development Specialist John Michener explained that in year 2012, 2013, and 2014, the Port, County and City of Bellingham funded the WWU Small Business Development Center. The Tri-Funders Allocations Committee made up of Port, City and County representatives have recommended 2015 joint funding to be as follows: 50% Whatcom County, 25% (which works out to be \$56,250) from the Port and \$56,250 the City of Bellingham. The additional proposed \$10,000 will fund joint projects that have been mutually agreed upon by the Tri-Funders committee.

Motion approved with 3-0 vote.

**5. AWARD CONTRACTS FOR 2015/ 2016 JANITORIAL SERVICES.**

Motion: Authorize the Executive Director to execute contracts for purchased janitorial services to: ABM Janitorial Services Northwest, Inc., for Schedule A (Aviation) and Schedule MT (Marine Terminals) in the amount of \$407,540.60 plus a \$20,000 contingency for a total authorized contract amount of \$427,540.60; and Management Services NW for Schedule F (Facilities), Schedule MTB (Blaine Marina), and Schedule P (Properties), and Schedule F (Squalicum Boathouse On-Call Services) in the amount of \$149,625 plus a \$10,000 contingency for a total authorized contract amount of \$159,625.

Discussion: Maintenance Manager Carol Williams explained that historically, the janitorial contract has been one contract for all Port facilities and this year in an effort to reduce costs and improve customer service, the contract was divided into five individual contracts for janitorial service at 34 Port facilities. Of the four bids responding to the Port's advertised Request for Proposal, three companies were local companies. ABM Janitorial and Management Services NW (of Lynden) submitted the lowest responsive bids for the five bid schedules. The term of the proposed contract is one year and may be renegotiated and renewed for multiple years subject to Commission approval.

Motion approved with 3-0 vote.

**6. AMENDMENT NO. 38 TO THE PROFESSIONAL SERVICES AGREEMENT WITH ANCHOR QEA FOR THE WHATCOM WATERWAY PHASE 1 SITE CLEANUP PROJECT.**

Motion: Authorize the Executive Director to execute Amendment No. 38 to the Professional Services Agreement with Anchor QEA for the Whatcom Waterway Phase 1 Site Cleanup Project, in the amount of \$193,751 for a total authorized amount of \$8,712,745.50.

Discussion: Environmental Programs Director Mike Stoner and Senior Project Engineer John Hergesheimer reported that the scope of work included in the proposed amendment will provide project management, bid support services, project design and sampling support, agency and stakeholder coordination, and reporting requirements of the National Pollution Discharge Elimination System (NPDES) permit associated with the Aeration Stabilization Basin (ASB). Funding is 50% grant eligible under Ecology's Model Toxic Control Act (MTCA) program and 50% through the Port's AIG pre-funded insurance policy. There was some discussion regarding the proposed cleanup project, which includes removal of the existing barge ramp at the C Street Terminal, environmental dredging and shoreline restoration, which will result in impacts to current Port tenants in that area. It was noted that tenant leases in the area acknowledge and accept these impacts. Commissioner McAuley voiced concerns regarding the planned dredging depth and the removal of the barge ramp and stated he would not support the proposed action. Mark Lake from The Landings at Colony Wharf spoke of the need for a ramp at the current location. Mr. Stoner provided a quick recap of the process that resulted in the current project design and funding strategy, including the 2012 permit application, which involved working with the tenants, agencies and other stakeholders to arrive at the current cleanup plan and proposed action.

Motion approved with 2-1 vote. Commissioners Robbins and Jorgensen voting in favor, Commissioner McAuley opposed.

**7. CHANGES TO HARBORS RULES REGULATIONS, AND PROCEDURES WITH RESOLUTION NO. 1226-K, APPROVAL OF NEW MOORAGE AND UPLAND STORAGE AGREEMENTS AND AMENDING MOORAGE TARIFF NO. 1.**

Motion: Adopt the Harbors' Rules, Regulations, and Procedures with Resolution No. 1226 (K), approve new Moorage and Upland Storage Agreements, and amend Moorage Tariff No. 1.

Discussion: Special Projects Administrator Pam Taft reported that updates to the Harbors' Rules, Regulations, and Procedures are brought to the Commission annually for adoption. The proposed changes include some housekeeping items and the addition of the legislative SSHB 2457 moorage language pertaining to boaters and marina operators with regard to marine liability insurance requirements. Ms. Taft further added that the Marina Advisory Committee (MAC) has reviewed, provided input and unanimously recommended the proposed Rules, Regulations, and Procedures with Resolution No. 1226K, the new Moorage and Upland Storage Agreements and Moorage Tariff No. 1 for Commission approval.

Motion approved with 3-0 vote.

**8. BELLWETHER GATE LLC (BUILDING A), BELLWETHER GATE B LLC (BUILDING B), AND BELLWETHER GATE C LLC (BUILDING C).**

Motion: Approval of:

- a. the First Amendment of the Amended and Restated Capital ground Lease with Bellwether gate LLC (Building A),
- b. the Second Amendment of the Amended and restated Capital Ground Lease with Bellwether Gate B LLC (Building B), and
- c. the Fourth Amendment of the Amended and Restated Capital Ground Lease with Bellwether Gate C, LLC (Building C).

Discussion: Real Estate Representative Judy Harvey explained the proposed action pertaining to items a, b, and c and added that the First Amendment for Building A amends the loan principal from not to exceed 75% of the Fair Market Value to 90% of Fair Market Value. The Second Amendment for Building B and the Fourth Amendment for Building C amends the loan principal from not to exceed 85% of the Fair Market Value to 90% of the Fair Market Value.

Motion approved with 3-0 vote.

**NEW BUSINESS**

For purposes of clarification in the future, there was some discussion as to speakers introducing themselves and adding names, titles to the speakers during video presentations whenever possible.

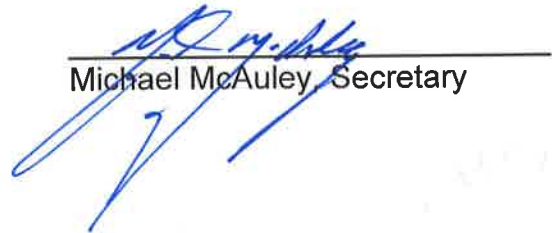


**ADJOURN**

Following the announcement of upcoming advisory meetings, as there was no further business, the meeting was adjourned at approximately 5:45 p.m.



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Daniel M. Robbins, President



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Michael McAuley, Secretary