

**MINUTES OF THE PORT OF BELLINGHAM COMMISSION MEETING
HELD TUESDAY, FEBRUARY 3, 2015
HARBOR CENTER BUILDING CONFERENCE ROOM
1801 ROEDER AVENUE, BELLINGHAM, WASHINGTON**

Present:	Commissioners:	
	President	Dan Robbins
	Vice President	Jim Jorgensen
	Secretary	Michael McAuley
Staff:		
	Rob Fix	Executive Director
	Dan Zenk	Aviation Director
	Mike Stoner	Environmental Programs Director
	Tamara Sobjack	Finance Director
	Fred Seeger	Facilities Director
	Elizabeth Monahan	Human Resources Director
	Dan Stahl	Maritime Director
	Sylvia Goodwin	Planning and Development Director
	Shirley McFearin	Real Estate Director
	Mike Hogan	Public Affairs Administrator
	Brian Gouran	Environmental Site Project Manager
	Judy Harvey	Real Estate Representative
	Frank Chmelik	Port Counsel
	Diane McClain	Executive Secretary

CALL PUBLIC MEETING TO ORDER AND RECESS TO CLOSED EXECUTIVE SESSION

Commissioner Robbins called the meeting to order at 2:00 p. m. to report that the purpose of the closed session would be to discuss real estate transactions pursuant to RCW 42.30.110(1)(c).

RECONVENE PUBLIC MEETING AND ROLL CALL

Commissioner Robbins called the meeting to order at approximately 3:04 p. m.

PUBLIC COMMENT PERIOD

No one signed up for public comment.

CONSENT AGENDA

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

A. Approve the minutes of the January 20, 2015, Commission meeting.

- B. Approve a new Lease with the Squaticum Yacht Club located at Squaticum Harbor near Gate 3.
- C. Approve a Management Agreement between the Port of Bellingham and Northwest Discovery Project aka The Marine Life Center.
- D. Authorization to sell vessel; pursuant to Resolution No. 947.

Discussion: None.

Motion approved with a 3-0 vote.

PRESENTATIONS:

1. Update – Port of Bellingham Quarterly Financial Report 4th Qtr. 2014-

Finance Director Tamara Sobjack presented an overview of the Port's fourth quarter 2014 financial results. Ms. Sobjack reported that the Balance Sheet year-to-date shows overall, the Port performed better than budget. The overall assets are increasing while the overall liabilities are decreasing as debts are being reduced. Net assets total just over \$391 million, balance sheet remains strong. The cash balance over a 10 year period reflects a spike in year 2010 largely for the bond issuance of the airport paving and commercial terminal expansion projects. Overall cash flow by operating divisions: 2014 Aviation revenues and Marine Terminals revenues decreased while Real Estate revenues increased. The Marinas revenues are based on the moorage model. Ms. Sobjack added the Port's current investments total approximately \$14 million and are averaging 1.35%. At yearend, Port-wide total revenues were at \$33.7 million; slightly under budget while total expenses \$21.1 million; \$400 thousand better than budget. Ms. Sobjack further reported the debt to asset ratio (the degree the Port's assets are funded by debt) is 43%, a ratio of lower than 50% is preferred. The Port continues to monitor its debt service coverage quarterly to ensure the Port can meet its debt service requirements and that the legally required 1.35 is maintained.

In Risk Management, there were 2 major incidents in December. The Bellingham Shipping Terminal main pier was damaged when the Horizon Fairbanks vessel broke free of her moorings during a windstorm. The Port's Building at Fairhaven Marine Industrial Park (FMIP) was damaged as the result of a fire. Open claims for and against the Port are the March 2012 G-East Boathouse fire and the November 2012 AMHS Passenger ramp incidents. Both incidents are currently under investigation and the Port's insurance carrier has been put on notice. Regarding the Port's Stormwater Program: Samples were taken and results were under permit benchmark for third quarter; none were required in the fourth quarter, all training and record keeping remain in compliance. Safety report year to date reflects 6 recordable injuries; a recordable rate of 6.0, lost work day rate 3.0. Ms. Sobjack provided an overview of the various Port wide 2014 completed \$11 million capital projects. These included airport signage, miscellaneous airport terminal and other Port facility improvements.

2. Update – State of the Bay – Debriefing

Public Affairs Administrator Mike Hogan provided an overview of the Port's presentation at the 'State of the Bay' research symposium sponsored by Washington State University

Extension on January 22, 2015. The objectives of this symposium were to: 1) detail the history and changes to Bellingham Bay, 2) discuss the latest research, 3) identify key challenges and research needs, and 4) enhance communication and coordination. Participants at this symposium included over 200 registered attendees including local Port, City, County, Lummi Nation, WWU representatives as well as Ecology, US Geological Survey, Pacific Northwest National Laboratory, Washington Department of Health, Skagit River Cooperative, Puget Sound Partnership, Northwest Indian College, Coastal geologic Services, Marine Resources Committee, WSU Extension/Washington Sea Grant representatives.

ACTION ITEMS:

1. AMENDMENT NO. 8 TO THE PROFESSIONAL SERVICES AGREEMENT WITH ANCHOR QEA FOR THE CENTRAL WATERFRONT SITE.

Motion: Authorize the Executive Director to execute Amendment No. 8 to the Professional Services Agreement (PSA) with Anchor QEA, LLC for Feasibility Study report revisions at the Central Waterfront site for an estimated cost of \$117,500 and a total authorized budget of \$727,130.

Discussion: Environmental Site Project Manager Brian Gouran explained the Central Waterfront cleanup site is comprised of approximately 55 acres of industrial property and under the Washington State Department of Ecology Model Toxics Control Act, the Port and the City of Bellingham entered in an Agreed Order to perform a Remedial Investigation and Feasibility Study (RI/FS) for the site. The Remedial Investigation (RI) was the first step. The scope of work included in the proposed amendment covers the next phase; the preparation of a site-wide feasibility study (F/S) which will provide the evaluation of a range of cleanup alternatives and highlight the preferred alternative for Ecology review.

Motion approved with 3-0 vote.

2. AMENDMENT NO. 5 TO THE PROFESSIONAL SERVICES AGREEMENT WITH LANDAU ASSOCIATES FOR THE WESTMAN MARINE SITE.

Motion: Authorize the Executive Director to execute an amendment to the Professional Services Agreement (PSA) with Landau Associates, adding \$177,000 for a total authorized amount of \$808,700, including contingency, for completing a Remedial Investigation/Feasibility Study and associated tasks at the Westman Marine site.

Discussion: Environmental Programs Director Mike Stoner reported under the Washington State Department of Ecology (Ecology) Model Toxics Control Act (MTCA), the Port entered in an Agreed Order to perform a Remedial Investigation and Feasibility Study (RI/FS) for the cleanup of the industrial Westman Marine site. The proposed amendment will provide for the completion of the RI/FS by the end of 2015, public review and comment planned for early 2016, Ecology's preferred cleanup remedy and review of the Draft Cleanup Action Plan (DCAP) in late 2016.

Motion approved with 3-0 vote.

3. RENEWAL AND MODIFICATION OF LEASE BETWEEN THE PORT OF BELLINGHAM AND BELLWETHER MARKET, INC.

Motion: Approval of a Renewal and Modification of Lease between the Port of Bellingham and Bellwether Market, Inc.

Discussion: Real Estate Representative Judy Harvey reported the Port entered into a Commercial Lease with Bellwether Market, Inc. for the roughly 867 square foot free-standing kiosk space on the plaza at Bellwether in April 2014. Ms. Harvey further reported the tenant is struggling financially and the proposed renewal and modification would provide for a rent reduction and the term to be on a month to month basis through October 1, 2015, at which time the rent would be subject to adjustment.

Motion approved with 3-0 vote.


NEW BUSINESS

Commissioner McAuley provided a handout received at a recent Economic Development Investment (EDI) meeting- Whatcom County Rural Sales Tax Report as of 11/30/14.

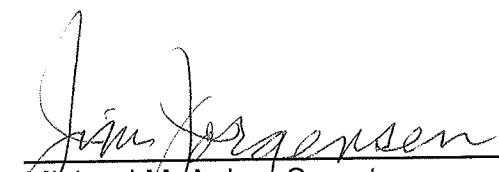
Commissioner McAuley reported a recent conversation with Derek Long of Sustainable Connections re: lack of large business spaces available in the City of Bellingham. Commissioner McAuley added that he will check in with the Mayor's office.

ADJOURN

As there was no further business, the meeting was adjourned at approximately 4:10 p.m.



Daniel M. Robbins, President


~~Michael McAuley, Secretary~~
Jim Jorgensen VP