

**MINUTES OF THE PORT OF BELLINGHAM COMMISSION MEETING  
HELD TUESDAY, August 18, 2015  
HARBOR CENTER BUILDING CONFERENCE ROOM  
1801 ROEDER AVENUE, BELLINGHAM, WASHINGTON**

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Present:	Commissioners:	
	President	Dan Robbins
	Vice President	Jim Jorgensen
	Secretary	Michael McAuley
Staff:		
	Rob Fix	Executive Director
	Mark Leutwiler	Interim Aviation Director
	Brian Gouran	Environmental Programs Director
	Tamara Sobjack	Finance Director
	Adam Fulton	Facilities Director
	Elizabeth Monahan	Human Resources Director
	Dan Stahl	Maritime Director
	Sylvia Goodwin	Planning and Development Director
	Shirley McFearin	Real Estate Director
	Norman Gilbert	Project Engineer
	Jonathan Sitkin	Port Counsel
	Lindsay Burmeister	Acting Executive Secretary

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**CALL TO ORDER**

Commissioner Robbins called the meeting to order at 3:00 p.m.

**PUBLIC COMMENT PERIOD**

No one signed up for public comment.

**CONSENT AGENDA**

Motion: Approve Consent Agenda items A through H as follows:

- A. Approve the minutes of the July 7, 14 and 21, 2015, Commission meetings.
- B. Approve Resolution No. 1345, Establish policy to transfer ownership of the Port's surplus computer equipment to electronic recycling services.
- C. Approve Resolution No. 1344 Readopt the Updated Whatcom Co. Multi-Jurisdictional Hazard Mitigation Plan.

- D. Letter to Colonel Buck re: Squalicum Waterway Maintenance Dredging.
- E. Use Permit with the Bellingham Sailing Foundation for the use of the Zuanich Point Park Day Dock for the Bellingham Yacht Club's Youth Sailing Program.
- F. Approve Renewal and Modification of Airport Lease - Bakerview Hangar LLC for leased premises No.17 BLI Airport General Binding Site Plan- Specific Binding Site Plan No.1.
- G. Approve Modification of Lease between SFP- (Sound Beverage) and the Port of Bellingham for premises located at the Airport Industrial Park
- H. Deed of Conveyance to City of Bellingham for water main, fire hydrants and associated piping at Squalicum Harbor.

Discussion: None.

Motion approved with a 3-0 vote.

#### **PRESENTATION:**

1. **International Sailing Center** – Mike Allsop - Allsop Inc, Jim Gibson - Board of Trustee Member of the Bellingham Yacht Club, Todd Schuster - Working Waterfront Coalition Representative/ Owner & Operator of Gato Verde Adventure Sailing, Craig Henderson - President of the Bellingham Sailing Foundation, Dominique Zervas - Zervas Law.

Mike Allsop of Allsop, Inc. described the economic impact that the International Sailing Center would have on the community. Jim Gibson, Board of Trustee member of the Bellingham Yacht Club provided handouts that depicted the research that the committee had done on six potential sites for the Sailing Center, and rated each site based on the criteria that were met. The committee recommends the site on the corner of Cornwall and Pine Street for the center - the beach area that will be adjacent to Cornwall Beach. The Zervas Designed structure that is currently in the parking lot at the Community Food Coop would be moved to the location to jumpstart the project. The Committee has until April 15 to move the building to a site.

Commissioners Jorgensen and Robbins were interested and requested that staff research the location. Commissioner McAuley had additional questions about the wind and exposure for sailors at optional locations. Executive Director Rob Fix said that the Port staff will talk to Commissioners about the pros and cons of the six proposed sites from the Port's perspective.

**ACTION ITEMS:**

**1. BELLINGHAM AVIATION SERVICES LLC RENEWAL & MODIFICATION OF LEASE AND NEW COMMERCIAL LEASE**

Motion: Approval of A.) The Renewal & Modification of Airport Lease between the Port of Bellingham and Bellingham Aviation Services LLC for Fixed Base Operations at the Bellingham International Airport and, B.) A New Commercial Lease between the Port of Bellingham and Bellingham Aviation Services LLC for 4121 Mitchell Way & Hangar HE-15 at the Bellingham International Airport.

Discussion: Real Estate Representative Judy Harvey explained Bellingham Aviation Services (BAS) has been a tenant for nearly 12 years. The proposed Renewal and Modification of the Airport Lease for Fixed Base Operations is for a term of ten years. Consistent with the underlying Lease, there are two five-year renewal options. Effective August 1 2015, rent increases about 4%. Effective January 1 2016, rent increases 2% and then annually each January 1<sup>st</sup> by 2%. There is a 2 month no rent period, provided BAS cleans the exterior of the self-service fuel tank on or before December 31, 2015. Insurance is updated to meet the 2015 Minimum Liability Insurance Standards. Regarding the new Commercial Lease space at 4121 Mitchell Way and HE-15, BAS will use the premises for maintenance and repair of ground support equipment and services for the signature airlines, office use, and ancillary fixed base operations. The term of the lease will run concurrently with their fixed base operation lease, including the two five-year renewal options. To prepare the premises for occupancy there is a three month no rent period. Beginning December 1, 2015 monthly rent will be \$650.00 and escalates 2% annually effective August 1, 2016 and each August 1 thereafter.

Motion approved with a 3-0 vote.

**2. EXECUTE AMENDMENT NO. 21 TO THE PROFESSIONAL SERVICES AGREEMENT WITH ASPECT CONSULTING LLC FOR THE CHLOR ALKAI ADDITIONAL SAMPLING**

Motion: Execute Amendment No. 21 to the Professional Services Agreement with Aspect Consulting, L.L.C. to increase the scope and budget by \$107,838 for a total authorized budget of \$3,259,855 for the Chlor-Alkali additional sampling at the GP West site.

Discussion: Brian Gouran, Director of Environmental Programs explained that this amendment pertains to the Chlor-Alkali portion of the GP West Site which is on the Southern portion of the site. The Department of Ecology is requiring additional groundwater monitoring and sediment porewater sampling to evaluate current conditions following clean-up work and mercury removal that was done on the site in 2014. This is an AIG and grant funded action.

Commissioner Robbins asked if those requests for data were made in the original contract. Mr. Gouran noted that this was all subsequent due to the cleanup work that was done in 2014.

Commissioner Jorgensen requested that Mr. Gouran provide more detail about the mercury on site. Mr. Gouran noted that the majority of mercury impacts are located in the Southern portion of the GP mill site, where the Chlor-Alkali plant was located. The wastewater that was discharged from that plant contained elemental mercury in some cases. With the interim action, soil was stabilized and shipped it to a hazardous waste landfill in Oregon. More clean-up will be done on that portion of the site.

Commissioner McAuley asked if this amendment would delay the project and run up the costs. Mr. Gouran assured the Commissioner that gathering additional data was warranted as this is one of the most complex clean-up sites in the state, and this study could have a major impact on what clean-up actions are selected for the area.

Commissioner Robbins asked if there was currently mercury on the site. Mr. Gouran said that there is more elemental mercury on the site that is to be addressed, because it's under the footprint of the building. That portion will be addressed in the final clean-up action.

Motion approved with a 3-0 vote.

**3. EXECUTE AMENDMENT NO. 9 TO THE INTERAGENCY AGREEMENT WITH THE DEPARTMENT OF ECOLOGY FOR THE BELLINGHAM BAY DEMONSTRATION PILOT**

Motion: Authorize the Executive Director to execute Amendment No. 9 to the Interagency Agreement with the Department of Ecology to adjust the scope, decrease the budget by \$100,000, and extend the completion date for the Bellingham Bay Demonstration Pilot to June 30, 2017.

Discussion: Mike Hogan, Public Affairs Administrator presented an overview of the Bellingham Bay Pilot program. Mr. Hogan spoke of the proposed transfer of \$100,000 in Ecology grant funding from the Port to the City of Bellingham to support a City-led habitat restoration project at Little Squalicum Park. The Little Squalicum Creek Park Estuary is a priority project for the Bellingham Bay Demonstration Pilot. The City received \$200,000 in grant funding from the Rose Foundation which is contingent on a 2:1 match and the proposed transfer of \$100,000 from the Port will support this match requirement. The Port would transfer \$100,000 in Ecology grant funding from the Squalicum Creek habitat restoration project. The Squalicum Creek habitat restoration project has \$500,000 remaining to complete design and permitting. Once the project has been designed and permitted, it will be more likely to gain construction funding.

Commissioner McAuley inquired as to why the Port is involved with the Little Squalicum Park. Mr. Hogan explained that the City-led project is under the umbrella of priority bay-wide

habitat restoration projects and that it made sense to transfer some of the money from the Squalicum Creek project so that it can be used as leverage to obtain funding to support the construction of the Little Squalicum Park estuary project. Commissioner McAuley asked if the replacement of the bridge would be paid for by BNSF. Mr. Hogan responded that BNSF declined to fund the replacement of the bridge so the Port is planning to pay for the replacement of the bridge using grant funding from Ecology. Commissioner McAuley asked if Mt. Baker plywood uses the railspur. Mr. Hogan said that Mt. Baker Plywood uses it about once a week and they were not interested in giving it up.

Motion approved with a 3-0 vote.

**4. EXECUTE AMENDMENT NO. 1 TO THE PROFESSIONAL SERVICES AGREEMENT WITH WILSON ENGINEERING**

Motion: Execute Amendment No. 1 to the Professional Services Agreement (PSA) with Wilson Engineering, LLC to complete the design and professional engineering services on the Squalicum Way Wharf Demolition and Bulkhead Replacement in the amount of \$28,200 for a total authorized contract amount of \$63,200.

Discussion: Project Engineer Norman Gilbert explained the purpose of the proposed PSA amendment with Wilson Engineering. The original contract took the design up to a 30% level which allowed for the Port to apply for the necessary permits and determine the type of bulkhead wall that was to be implemented. It was determined that the most efficient bulkhead wall is steel sheet piling with steel H pile tiebacks. The amendment will advance that design from 30% to 100% through bidding service in preparation of coming to the commission for award of the construction contract.

Commissioner McAuley inquired as to what the plan is for the water next to the bulkhead. Mr. Gilbert further explained that beyond the vertical bulkhead area there is a sloped shoreline down to the marina floor. The project removes the wharf section that's in that area. There is currently a grated float that Seaview owns and uses. The Port will be putting in guide piling to retain the use of the floats and protect that open area.

Commissioner Robbins inquired as to when construction will be started. Mr. Gilbert said that the Port is hoping to go out to bid and get construction underway by the end of 2015.

Motion approved with a 3-0 vote.

**5. EXECUTE THE 2015-2018 COLLECTIVE BARGAINING AGREEMENT BETWEEN THE PORT OF BELLINGHAM AND THE INTERNATIONAL LONGSHORE AND WAREHOUSE UNION**

Motion: Authorize the Executive Director to execute the 2015-2018 Collective Bargaining Agreement between the Port of Bellingham and the International Longshore and Warehouse Union (ILWU), Local 7 Clerical, including any necessary budget adjustments. The terms and

condition of the agreement shall be effective as of January 1, 2015 and shall terminate on December 31, 2018.

Discussion: Elizabeth Monahan, Director of Human Resources, described that the 2012 – 2014 Collective Bargaining Agreement between ILWU Local 7 – Clerical and the Port of Bellingham expired on December 31, 2014. The Port began negotiating in November 2014. The bargaining teams consisted of Elizabeth Monahan, Tamara Sobjack, Dan Stahl, and Lindsay Burmeister from the Port, and Alan Cote (National President, IBU), Peter Hart (Regional Director, IBU), employees Tony Flaherty (MSR), Bryson Tripp (MSR), and Susan Baker (Receptionist and Real Estate Lease Assistant). The key issues for the Port were maintaining competitive wages and healthcare provisions that were in the contract. The main issue for the Union was wages.

Throughout the process it was discovered that the Port's wages were significantly below market, based on data received from the ILWU Local 7 Clerical negotiating team and from recent salary surveys. Therefore, all positions within the agreement that are currently filled will receive a one-time wage adjustment, effective retroactively to 1/1/2015.

On July 1, 2015, the Port will have a 6% across the board increase for all positions. Then, wages will increase 2.5% on 1/1/2016, and 2.5% on 1/1/2017, and 3% on 1/1/2018.

Commissioner McAuley asked for more detail on how the Port came to the conclusion that their wages were under market. Ms. Monahan explained that in the past, the Port's philosophy has been to pay at or slightly below market, but compensate with the benefit package being at or slightly above market. The Port obtained data from other Ports, and the Puget Sound Salary survey, and discovered Port wages were lower than what we typically benchmark against. The 6% increase effective on 7/1/2015 is equal to a 3% annualized increase.

Commissioner Jorgensen asked how the Port's wages compare to other Ports. Ms. Monahan responded the Port's wages are lower and that overall, wages are lower in Whatcom County because people will accept lower wages to live here. Ms. Monahan said that they benchmark with other local government agencies, such as the city, the county and Western Washington University.

Motion approved with a 3-0 vote.

**6. EXECUTE THE 2015-2018 COLLECTIVE BARGAINING AGREEMENT BETWEEN THE PORT OF BELLINGHAM AND THE INLAND BOATMEN'S UNION (IBU)**

Motion: Authorize the Executive Director to execute the 2015-2019 Collective Bargaining Agreement between the Port of Bellingham and the Inland Boatmen's Union (IBU), including any necessary budget adjustments. The terms and conditions of the agreement shall be effective as of January 1, 2015 and shall terminate on December 31, 2019.

Discussion: Elizabeth Monahan, Director of Human Resources, described negotiations for the 2010-2014 Collective Bargaining Agreement between IBU and the Port of Bellingham. The representatives at the table were Alan Cote and Peter Hart from the IBU, and employees Erich Tritz (Terminal Agent) and Joe Spencer (Terminal Agent). Representing the Port were Elizabeth Monahan (Director of HR), Dan Stahl (Director of Maritime), Dave Warter (Marine Terminal Manager) and Lindsay Burmeister (HR Coordinator). The primary issue was the two wage levels. With two Full Time employees and one Part Time employee, one employee was getting paid substantially more than the other due to a MOU Memo of Understanding that was over 18 years old. It was a common interest with both parties to get those wages together, and this contract which is a 5 year agreement, will get them at the same wage rate in 2019. Ms. Monahan reported that there is still a disparity between the part time and full time employees but one that is reasonable.

Commissioner McAuley inquired as to the difference between the part time and full time contract. Ms. Monahan explained that some of the money from the Part Time position was funneled into the Full Time position. The Part Time people do relatively the same work as the Full Time employees, but they are only working half the time.

Motion approved with a 3-0 vote.

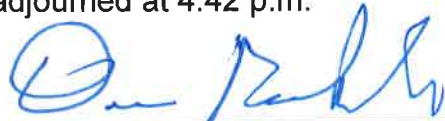
### **NEW BUSINESS**

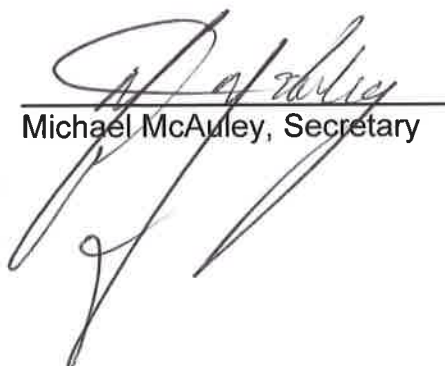
Commissioner McAuley and Commissioner Jorgensen agreed that they would like to see some more work done at Blaine Harbor. Executive Director Rob Fix explained that staff is in budget process now and has 28 million dollars of new Capital requests that weren't in the budget last year. Mr. Fix will meet with staff and come back with a draft of the budget and the cash flow that shows what projects the staff thinks can get completed within the budget.

Commissioner McAuley asked about MTCA funding. Mr. Fix stated that the State Budget was passed in late June, and staff will provide an update on where the Port stands on that.

### **ADJOURN**

As there was no further business, the meeting was adjourned at 4:42 p.m.

  
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Dan Robbins, President

  
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Michael McAuley, Secretary