

**MINUTES OF THE PORT OF BELLINGHAM COMMISSION MEETING
HELD TUESDAY, OCTOBER 6, 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
	Brian Gouran	Environmental Programs Director
	Tamara Sobjack	Finance Director
	Adam Fulton	Facilities Director
	Elizabeth Monahan	Human Resources Director
	Sylvia Goodwin	Planning and Development Director
	Shirley McFearin	Real Estate Director
	Brady Scott	Real Estate Representative
	Terry Ilahi	Real Estate Analyst/Representative
	Norman Gilbert	Project Engineer
	Katherine Deets	Port Counsel
	Diane McClain	Executive Secretary

CALL PUBLIC MEETING TO ORDER AND IMMEDIATELY RECESS TO CLOSED EXECUTIVE SESSION

Commissioner Robbins called the meeting to order at 1:30 p. m. and immediately recessed the meeting to a closed executive session to discuss personnel and real estate, pursuant to RCW 42.30.110 (g) (c).

RECONVENE PUBLIC MEETING, CALL TO ORDER AND ROLL CALL

Commissioner Robbins called the meeting to order at approximately 3:03 p. m. and announced that all three Commissioners were in attendance.

PUBLIC COMMENT PERIOD

The following people signed up for Public Comment:

1. Steve Walker, 555 Harris Avenue, Bellingham, WA- Community Boating Center – spoke in support of the International Sailing Center locating on the Bellingham Bay waterfront.

CONSENT AGENDA

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

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- A. Approval of the August 18, 2015, September 1, 2015, and September 15, 2015, regular Commission meeting minutes.
- B. Authorize the Executive Director to approve Meeting and Events rate increase, peak season extension, and equipment rental rates effective immediately.
- C. Modification of Airport Lease between the Port of Bellingham and Command Aviation, Inc. for leased premises for its Fixed Base Operations (FBO) located at the Bellingham International Airport.
- D. Modification of Conduit License Agreement with Comcast Cable Communications Management, LLC for the licensing of Port owned conduit.

Discussion: Executive Secretary reported the omission of the dollar amount in Item D of the September 1, 2015 minutes (included in the agenda packet) has been corrected.

Motion approved with a 3-0 vote.

PRESENTATIONS

1. Update – Model Toxics Control Act (MTCA) Grant Funding - Director of Environmental Programs Brian Gouran provided a brief overview of the Port's partnership with Ecology pertaining to multiple environmental cleanup projects and introduced Ecology MTCA Program Manager Jim Pendowski to present an update on the status of the MTCA grant funding program. Mr. Pendowski discussed how a number of state, local and global conditions have had direct revenue impacts on the MTCA remedial action grant program; particularly the significant drop in the price of a barrel of oil. This has reduced availability of 2015- 2017 funds in the MTCA accounts for environmental cleanup projects. Mr. Pendowski spoke of the legislative decisions made in the state budget process and criteria affecting the distribution of funds such as geographic distribution, cost efficiencies- in construction, readiness to proceed and acuity of need. Mr. Pendowski discussed Ecology's plan to seek other sources such as state uncommitted bond bill funds in a supplemental budget process. MTCA funds appropriated for projects ongoing such as the Port's Whatcom Waterway dredging project will not be affected. Any new environmental cleanup projects however will not be considered unless those projects strongly meet the earlier stated criteria and funds are made available. Mr. Pendowski stated that although the current budget cycle has impacted Ecology's ability to fully fund Bellingham cleanup sites, he reiterated Ecology's commitment to Bellingham cleanup projects and the strong partnership that has been developed over years of working together.

2. Update – 2016 Port Of Bellingham Strategic Budget: Finance Director Tamara Sobjack provided an update of the 2016 Strategic Budget process. Ms. Sobjack explained the purpose of this first of four public meetings is to provide both a general overview of the draft 2016 Strategic Budget and an opportunity to receive Commission feedback. The second meeting to be held on October 20th will include more details and will reflect any changes or direction given at this meeting. Ms. Sobjack presented a brief overview of the operating revenues and expenses, capital projects, outstanding debt and payments, tax revenues, cash flow projections for 2016. The next steps to adopting the Port's 2016 Strategic Budget include

a presentation to the Commission at the October 20, 2015 meeting, public hearings to be held on November 3 and 17, 2015, and the final budget to be presented to the Commission for adoption November 17, 2015, and filed with the County treasurer on December 7, 2015.

ACTION ITEMS:

1. RENEWAL OF PORT'S LIABILITY AND AUTO INSURANCE PROGRAM

Motion: Authorize the Executive Director to enter into insurance contracts for the renewal of the Port's liability and auto insurance coverage for the policy period October 1, 2015, through September 30, 2016.

Discussion: Finance Director Tamara Sobjack reported the total cost of the proposed liability and auto insurance 2015- 2016 insurance program quoted by Alliant Insurance Services, broker of record, is only slightly higher than the previous year due to an increase in the auto liability coverage.

Motion approved with 3-0 vote.

2. BITTER END BOATWORKS MODIFICATION OF LEASE AND SURPLUS PERSONAL PROPERTY TRANSFER AGREEMENT AND PORT CERTIFICATION TO SURPLUS PORT PERSONAL PROPERTY

Motion:

a. Approval of a Modification of Lease and Surplus Personal Property transfer Agreement between the Port of Bellingham and Bitter End Boatworks, LLC for property located at 1000 Hilton Avenue, Bellingham Washington.

b. Authorize the Executive Director's Certification to Commission to Surplus Port Personal Property.

Discussion: Real Estate Representative Brady Scott explained the proposed two part action includes an expansion of the leasehold area by about 21,000 square feet and provides for the transfer of surplus property consisting of aging wooden floats, ramps and boat cradles from the Port to tenant Bitter End Boatworks (BEB). BEB would be responsible for the removal and disposal of the materials in exchange for a rent abatement provision in their lease agreement. BBE owner Jesse Vangolen agreed that the materials mentioned need to be disposed of and the extra land added to the leasehold will be helpful.

Motion approved with 3-0 vote.

3. RENEWAL AND MODIFICATION OF LEASE AND REAL PROPERTY PURCHASE AND SALE AGREEMENT- TEAL JONES LUMBER SERVICES, INC., SUMAS, WASHINGTON

Motion: Approval of a Renewal and Modification of Lease and Real Property Purchase and Sale Agreement between Teal Jones Lumber Services, Inc., and the Port of Bellingham.

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Discussion: Real Estate Analyst Terry Ilahi reported the lease with tenant since 2004 Teal Jones Lumber Services, Inc. Teal Jones expired in July 2014. The lease, real property purchase and sale agreement and associated exhibits are included in the proposed documents for approval.

Motion approved with 3-0 vote.

4. BID AWARD FOR THE SQUALICUM AND FAIRHAVEN BOAT LAUNCH REPAIR PROJECTS 2015

Motion: Authorize the Executive Director to execute a contract with Razz Construction, Inc. of Bellingham, Washington for the Squalicum and Fairhaven Boat Launch Repair Projects 2015 in the amount of \$603, 676.32 plus a \$30, 183.68 contingency for a total authorized contract amount of 633,860; and increase the budget of GL #220-583-1900 by \$261,230.

Discussion: Project Engineer Norman Gilbert reported the proposed contract is a combination of two capital projects: Squalicum Harbor Boat Launch Ramp Extension and the Fairhaven Boat Launch Floats and Piling Replacement. Of the 2 bids the Port received, Razz Construction, Inc. submitted the lowest responsive and responsible bid. Both bids received exceeded the Engineer's Estimate, particularly for the Fairhaven floats. The Port, the design consultant and Contractor have agreed to evaluate value engineering opportunities in an effort to lower the cost of the project. Both capital projects are partially funded by the Washington State Recreation and Conservation Office's boating facilities program.

Motion approved with 3-0 vote.

5. AMENDMENT NO. 2 TO THE PROFESSIONAL SERVICES AGREEMENT WITH REID MIDDLETON FOR THE FAIRHAVEN BOAT LAUNCH FLOATS AND PILING REPLACEMENT PROJECT

Motion: Authorize the Executive Director to execute Amendment No. 2 to the Professional Services Agreement with Reid Middleton, Inc. to perform construction support services for the Fairhaven Boat Launch Floats and Piling Replacement Project in the amount of \$23,448 for a total authorized contact amount of \$76,398.

Discussion: Project Engineer Norman Gilbert reported the proposed amendment is for the third and final phase of this project which will provide construction support services for the boat launch floats and timber pile replacement project at the Fairhaven Boat Launch.

6. AMENDMENT NO. 1 TO THE PROFESSIONAL SERVICES AGREEMENT WITH KPFF FOR THE SQUALICUM HARBOR BOAT LAUNCH RAMP EXTENSION PROJECT

Motion: Authorize the Executive Director to execute Amendment No. 1 to the Professional Services Agreement (PSA) with KPFF Consulting Engineers to perform construction support services for the Squalicum Harbor Boat Launch Ramp Extension Project in the amount of \$13,470 for a total authorized contract amount of \$33,100.

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Discussion: Project Engineer Norman Gilbert reported the proposed amendment is for the second and final phase providing construction support services for the completion of the ramp extension at the Squalicum Harbor Boat Launch project.

Motion approved with 3-0 vote.

7. PURCHASE ORDER TO TORGERSON FOREST PRODUCTS, INC. FOR TREATED TIMBER PILING FOR THE BELLINGHAM SHIPPING TERMINAL REPAIR PROJECT.

Motion: Authorize the Executive Director to execute a Purchase Order to Torgersen Forest Products, Inc. in the amount of \$64,058.82 for the purchase of treated timber piling to be incorporated into the Bellingham Shipping Terminal Pier Repair Project.

Discussion: Project Engineer Norman Gilbert reported the Port advertised for the purchase of treated timber piling through the Washington State's procurement website and of the two bids the Port received, Torgersen Forest Products, Inc. was selected as the lowest responsive and responsible bidder.

Motion approved with 3-0 vote

8. CONVEYANCE OF ARMY STREET PROPERTIES TO THE CITY OF BELLINGHAM

Motion: Authorize the Executive Director to execute a statutory warranty deed for the Army Street properties to the City of Bellingham.

Discussion: Planning and Economic Development Director Sylvia Goodwin explained the proposed transaction is the result of the City exercising their option on Amy Street properties pursuant to an Interlocal Agreement between the Port and City of Bellingham for the exchange of properties between the Port and City, entered into in 2012.

Motion approved with 3-0 vote.

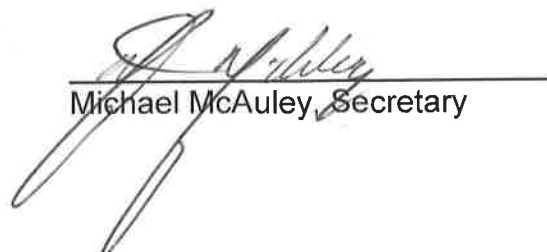
NEW BUSINESS

None.

ADJOURN

With no further business, the meeting was adjourned at 4:33 p.m.


Daniel M. Robbins, President


Michael McAuley, Secretary