

**MINUTES OF THE PORT OF BELLINGHAM COMMISSION MEETING
HELD TUESDAY, OCTOBER 20, 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
	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 & Economic Development Director
	Shirley McFearin	Real Estate Director
	Mike Hogan	Public Affairs Administrator
	John Hergesheimer	Senior Project Engineer
	Frank Chmelik	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 1:00 p. m. and immediately recessed the meeting to a closed executive session to discuss real estate and personnel, pursuant to RCW 42.30.110 (c) (g).

RECONVENE PUBLIC MEETING, CALL TO ORDER AND ROLL CALL

Commissioner Robbins called the meeting to order at approximately 3:00 p. m. and announced that all three Commissioners were in attendance.

PUBLIC COMMENT PERIOD

No one signed up for public comment.

CONSENT AGENDA

Motion: To adopt Consent Agenda items A and B as follows:

- A. Approval of the October 6, 2015, Commission meeting minutes.

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- B. Renewal and Modification of Lease between the Port of Bellingham and Reisner Distributors, Inc.

Discussion: None.

Motion approved with a 3-0 vote.

PRESENTATIONS

1. Update – Legislative Report – Public Affairs Administrator Mike Hogan introduced the Port's Washington State lobbyist Tom McBride of McBride Public Affairs to provide a summary of the 2015 Washington State legislative session and to preview key issues during the upcoming 2016 session. McBride Public Affairs has been hired by the Port, City of Bellingham, and Whatcom County to represent the shared legislative and regulatory interests of the three governments. Mr. McBride explained that the Port, City and County working together with a shared lobbyist and supporting the same legislative objectives is a unique and effective approach. Mr. McBride discussed high level issues during the 2015 session including the passage of Operating and Capital Budgets, a new 16-year transportation package, the failure of the Carbon Pollution Accountability Act, Model Toxics Control Act Account (MTCA) funding, and the McCleary mandate for education. Mr. McBride also highlighted priority bills during the 2015 session including Marine Tourism legislation, revenue sharing and rail safety. Mr. Hogan suggested the Port, City and County's shared legislative objectives for 2016 might include MTCA funding, implementing transportation projects, funding for at-grade rail crossings, criminal justice & social services funding, local revenue sharing, and aquatic invasive species control measures.

2. Update – 3rd Quarter 2015 Financial Results and 2016 Port Of Bellingham Strategic Budget: Finance Director Tamara Sobjack provided an update of the Port's third quarter financial performance and the 2016 Strategic Budget process. Finance Director Tamara Sobjack reported the Port's Balance Sheet year-to-date shows the Port's overall assets have increased slightly and the overall liabilities have decreased slightly as debts are being reduced. The net asset trend for six quarters is flattening, totaling just over \$223 million.

Year to date, Port-wide total revenues total just over \$17 million; while total expenses were approximately \$10 million. Ms. Sobjack explained the Operating, Non-Operating and Public Priority portions of the total revenue and expenses. Ms. Sobjack also presented Aviation, Marinas, Marine Terminals, Real Estate, Overhead, and Public Priorities financial highlights year to date and discussed the projected vs. budget performance of each. The beginning projected cash flow for January 2016 is \$28.6 million while the projected available cash at the yearend is \$9 million.

In Risk Management, there were no major incidents reported in the first nine months of 2015. Risk Management activities include open claims for and against the Port: the March 2012 Squalicum Harbor G-East Boathouse fire and the November 2012 AMHS Passenger ramp incidents. Legal and insurance work/ investigations are ongoing.

Regarding the Port's Stormwater Program, samples were not required in the 3rd quarter and all training and recordkeeping remain in compliance. The safety report year to date reflects 1 recordable injury and monthly Administration Building safety meetings are ongoing. Ms.

Sobjack reported Port-wide 2015 capital projects include the completed Squalicum Yacht Club Paving, and the Whatcom Waterway Cleanup project underway.

The next steps to adopting the Port's 2016 Strategic Budget include 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.

3. Update – Declaration of Emergency- Fairhaven Marine Industrial Park (FMIP) Force Line Break- Executive Director Rob Fix explained the declaration of an emergency on October 8, 2015, allowed the Port to execute a public works contract necessary to respond to a break in the sewer line break at FMIP and make the necessary repairs.

ACTION ITEMS:

1. RATIFICATION OF AN EMERGENCY PUBLIC WORKS CONTRACT FOR FAIRHAVEN MARINE INDUSTRIAL PARK (FMIP) PRESSURE SEWER BREAK REPAIR.

Motion: Ratify the contract to be issued to Faber Construction to repair the sewer force line at the Fairhaven Marine Industrial Park (FMIP) for an estimated amount of the \$21,778.69 plus a 10% contingency for a total authorized amount of \$23,956.56.

Discussion: Facilities Director Adam Fulton provided an overview and history of the area affected by multiple breaks and repairs to the underground sewer force lines over the years and the emergency replacement of a portion of the line completed.

Motion approved with 3-0 vote.

2. AMENDMENT TO THE PSA WITH BERGER/ABAM FOR THE HARRIS AVENUE PIER REPLACEMENT –SHORELINE MODELING AND HISTORIC MITIGATION PLAN.

Motion: Authorize the Executive Director to execute Professional Services Agreement (PSA) Amendment No. 10 with Berger/ABAM for Shoreline Modeling, additional Project Management, and development of a Historic Mitigation Plan for the Carpenter Building for the Harris Avenue Pier Replacement Project in the amount of \$44,017 for a total authorized amount of \$ \$1,224,417.

Discussion: Senior Project Engineer John Hergesheimer reported the proposed amendment is the final step to obtain the Nationwide 38 permit by developing a historic mitigation plan for the removal of the 100+ year old Carpenter Building. Another component of the proposed scope of work is to provide professional services for the shoreline modeling of the Harris Avenue Shipyard in support of the Model Toxics Control Act (MTCA) cleanup project and extended duration of the final design of the Harris Avenue Shipyard Pier Replacement project. The Commission discussed the expense to mitigate for removal of a historic building, a CORE requirement for the removal of any building over 50 years.

Motion approved with 3-0 vote.

3. MODIFICATION OF LEASE AGREEMENT WITH POINT ROBERTS PRESS, INC. IN BLAINE HARBOR.

Motion: Approval of a Modification of Harbor Lease Agreement between Point Roberts Press, Inc., and the Port of Bellingham.

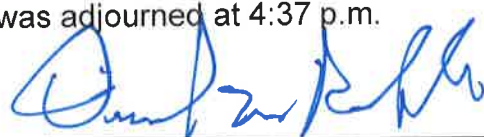
Discussion: Real Estate Analyst and Representative Terry Ilahi explained the Port approved a 40 year land lease with Point Roberts Press, Inc. in 2005 for premises in Blaine Harbor. The lease was modified in 2009 to extend the construction date for Phase 2 of the tenant improvements to year 2014. The proposed modification includes a 5 year rent adjustment and will extend that construction date of the Phase 2 new building out to year 2025.

Motion approved with 3-0 vote.

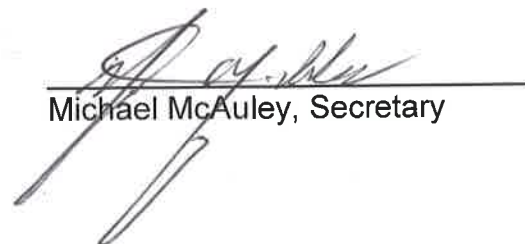
NEW BUSINESS

1. **BIAAC Representative**-Commissioner Robbins reported a member of the Bellingham International Airport Advisory Committee (BIAAC) is currently on temporary medical leave and as Lani Rahm (Bellingham Whatcom County Tourism President and CEO) has expressed an interest in serving as the interim tourism representative on the Committee; all 3 Commissioners supported that suggestion.
2. **3 to 5 Commission**- Commissioner Robbins reported he had received some inquiries and asked for a discussion. Port legal counsel Frank Chmelik briefly discussed the process for creating 5 districts and the history of the Ports of Everett and Bellingham ballot measures on that subject. Commissioner McAuley suggested the Commission wait and see how the county votes on a County council measure currently on the November ballot (which would change the county council districts) before discussing any further. Commissioner Robbins also asked about port commission election campaign fund limits and Counsel Frank Chmelik responded that this is an issue mandated by the state and not a local issue; however the Port is welcome to bring it up to the legislative body and/or the Washington Public Ports Association (WPPA).
3. **Blaine Road to end pier**- Commissioner Jorgensen asked for an update on the road to the end pier in Blaine. Planning and Economic Development Director Sylvia Goodwin reported staff is continuing to gather preliminary information and will distribute design and cost estimates when final for Commission approval and public input.

ADJOURN With no further business, the meeting was adjourned at 4:37 p.m.



Daniel M. Robbins, President



Michael McAuley, Secretary