

**MINUTES OF THE PORT OF BELLINGHAM COMMISSION MEETING
HELD TUESDAY, NOVEMBER 17, 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
	Sunil Harman	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
	Mark Leutwiler	Airport Manager
	Norman Gilbert	Project Engineer
	John Hergesheimer	Senior Project Engineer
	Terry Ilahi	Real Estate Analyst and Representative
	Judy Harvey	Real Estate Representative
	John Michener	Economic Development Specialist
	Rich Davis	Port Counsel
	Diane McClain	Executive Secretary

CALL PUBLIC MEETING 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 through D as follows:

- A. Approve the minutes of the November 3, 2015, Regular Commission meeting
- B. Authorize the Executive Director to approve payment of \$51,343.50 to the Department of Natural Resources for Aquatic Lands Harbor Lease Nos. C2200002469 and C2200002470 for the period December 1, 2015- November 30, 2016.

- C. Authorize the Executive Director to execute Amendment No. 9 to the Professional Services Agreement with Anchor QEA, LLC for Central Waterfront Feasibility Study report revisions for an estimated cost of \$97,500 and a total authorized budget of \$824,630.
- D. Authorize the Executive Director to execute Amendment No. 4 to the Professional Services Agreement with Moffatt & Nichol to perform construction support services for the Bellingham Shipping Terminal (BST) & former Georgia Pacific (GP) Pier condition survey & BST pier repair in the amount of \$15,000 for a total authorized contract amount of \$273,003.

Discussion: None.

Motion approved with a 3-0 vote.

Presentations:

1. Update -Airport Trail/ Bellingham International Airport Advisory Committee (BIAAC) Initiative-Airport Manager Mark Leutwiler introduced April Barker, Chair of the BIAAC to discuss the Airport trail concept. Ms. Barker reported the vision of the BIAAC Airport trail sub-committee is to extend the Port's trail network into Whatcom County. Ms. Barker presented an overview of the committee's suggested nearly 3 mile trail route. The trail is proposed to be a continuous loop surrounding portions of the airport. A large portion is already developed; the remaining sections would be accomplished in phases. Ms. Barker discussed the physical and mental benefits of exercise and access to recreation. The committee is recommending the trail concept be advanced to a feasibility analysis. Planning and Economic Development Director Sylvia Goodwin reported the majority of the preliminary design work is done, cost estimates to be done by Port staff, and funding options to be explored. Director of Aviation Sunil Harman responded to a question of allowed uses in the runway safety area (RSA) and noted that only navigational aids fixed by function are allowed in the RSA and roads are not permitted. He added that as this is a trail, the Port will need to coordinate with the regulatory agencies including the FAA and TSA and may need to address RSA restrictions even with an elevation difference by moving further east into the Interstate 5 Highway right-of-way reservation to keep the trail out of the RSA and an that an amendment to the Airport Layout Plan (ALP) may be required.

2. Update- Bellingham International Sailing Center (BISC) Planning and Economic Development Director Sylvia Goodwin reported the Commission previously authorized the Executive Director to enter into a Memo of Understanding (MOU) with the BISC for a presence on Port property. Ms. Goodwin presented the proposed site plan for a facility to be constructed near the Bellingham Shipping Terminal on less than an acre and near the Port's maintenance shop on Cornwall Avenue. Ms. Goodwin discussed potential ramp launching of small hand carry vessels, lease calculations for use of Port and DNR land and non-water use of land. BISC member, Jim Gibson explained the types of crafts to be launched from this site. The Bellingham International Sailing Center will design, raise funds, and obtain permits as well as construct and operate the facility. The Port will move fences and relocate electric

lines. A more detailed site plan, building design, and launch plan will be prepared and presented to the Port Commission prior to execution of lease documents for this property.

RECESS THE PUBLIC MEETING AND OPEN A PUBLIC HEARING ON THE COMPREHENSIVE SCHEME OF HARBOR IMPROVEMENTS

Planning and Economic Development Sylvia Goodwin explained this public hearing is an extension of the public hearing held on November 3rd. The Port's comprehensive scheme of harbor improvement plans are 1) updated periodically and 2) contain planning level estimates for proposed capital improvements and in keeping with RCW 53.20.20. Resolution No. 1346 has been drafted for this action.

PUBLIC HEARING

No one asked to speak during the public hearing.

- **CLOSE THE PUBLIC HEARING ON THE COMPREHENSIVE SCHEME OF HARBOR IMPROVEMENTS AND RECONVENE THE REGULAR COMMISSION MEETING**

ACTION ITEMS

1. UPDATE TO VARIOUS COMPREHENSIVE SCHEME OF HARBOR IMPROVEMENTS PLANS IN WHATCOM COUNTY, WASHINGTON

Motion: Approve Resolution No., 1346 incorporating the capital projects contained in the 2016 Strategic Budget into the Port of Bellingham's various Comprehensive Schemes of Harbor Improvement plans in Whatcom County, Washington as follows:

- The Blaine Wharf District Master Plan.
- The Sumas International Cargo Terminal Comprehensive Scheme of Harbor Improvements.
- The Airport Master Plan.
- The Comprehensive Scheme of Harbor Improvements for Squalicum Harbor.
- The Bellingham Waterfront District Sub-Area Plan.
- The Fairhaven Comprehensive Scheme of Harbor Improvements.

Discussion: Commissioner McAuley explained the intention of the action being proposed.

Motion approved with 3-0 vote.

RECESS THE PUBLIC MEETING AND OPEN A PUBLIC HEARING ON THE 2016 STRATEGIC BUDGET The following two people signed up to comment:

1. Darren Williams ILWU Longshoremen voiced support for the proposed budget which includes capital improvement money and funds dedicated to marketing efforts for the Bellingham Shipping Terminal.

2. Jay Bornstein, Waterfront Working Coalition (WWC), reported the WWC Group met to review the draft 2016 budget document and propose two recommendations. It was discussed and agreed that the following language be included as Objective #7 to the Real Estate Division section: Continue to offer attractive lease rates to commercial Marine businesses in order to maximize Marine trades occupancy on Port-owned harbor buildings and properties, and Further, continue to offer attractive lease rates especially as they relate to in-water marine infrastructure capital costs where Marine trades businesses simply must rely on water access. The WWC also requested the document be made available earlier to the public in the future. With no further requests for public comment:

- **CLOSE THE PUBLIC HEARING ON THE 2016 STRATEGIC BUDGET AND RECONVENE THE REGULAR COMMISSION MEETING**

ACTION ITEMS:

2. 2016 STRATEGIC BUDGET AND THE PROPERTY TAX LEVY AS REFERENCED IN RESOLUTION NOS. 1347 AND 1348

Motion: Adopt Resolution No. 1347 approving the 2016 Strategic Budget and Resolution No. 1348 authorizing the regular property tax levy and declaring a substantial need to maintain the maximum levy capacity.

Discussion: The 2016 draft Strategic Budget was published on October 26, with public hearings advertised and held today November 17 and on November 3, 2015. The final approved budget document will be submitted to the Whatcom County Executive's office by Monday, December 7, 2015. Finance Director Tamara Sobjack discussed the two proposed resolutions. Executive Director Rob Fix added the requested language from today's public hearing will be added to the Real Estate narrative section as Objective No. 7. It was also discussed and decided that the Port will plan to make the draft budget available earlier next year.

Motion approved with 3-0 vote.

- **RECESS THE PUBLIC MEETING & OPEN MEETING OF THE INDUSTRIAL DEVELOPMENT CORPORATION (IDC)**

1. Minutes of the last IDC meeting

Motion: Approve minutes of January 6, 2015, IDC meeting.

Discussion: There was none.

Motion approved with 3-0 vote.

2. Approve 2016 Budget for the Industrial Development Corporation (IDC)

Motion: Approve the 2016 IDC Budget for the IDC totaling revenues of \$29,220 and expenditures of \$16,859 as outlined in the attached budget, authorize the IDC Treasurer to

approve the distribution and payment of IDC funds in conjunction with this budget, and declare \$44,229 of IDC funds surplus and transfer to the 2016 Port Economic Development Outside Services budget.

Discussion: There was none.

Motion approved with 3-0 vote.

CLOSE THE IDC MEETING & RECONVENE THE REGULAR COMMISSION MEETING

ACTION ITEMS:

3. 2016 EMPLOYEE BENEFITS RENEWALS

Motion: Authorize the Executive Director to execute the necessary contracts, and employment practices for the implementation of the 2016 Employee Benefits Program. The contracts are:

- Health Management Administrators (HMA) – Third Party Administrator (TPA) for Medical Insurance
- QBE Insurance Group (QBE)- Stop Loss for Medical Insurance
- Health Management Administrators (HMA) - Dental Insurance
- Health Management Administrators (HMA) - Vision hardware Insurance
- Trusteed Plans Service Corporation Service Corporation (TPSC)- Section 125 FSA
- Lincoln Financial- Life & Accidental Death and Dismemberment and Long-Term Disability
- Health Promotion Northwest – Employee Assistance Program (EAP) and
- Kibble & Prentice – Insurance Broker.

Discussion: Human Resources Director Elizabeth Monahan explained the Port's switch to a self-insured plan transitioning from Regence after 50 years went well and was cost effective. Ms. Monahan further reported the Port's 2015 plan is running slightly higher than expected due to four large open medical claims over \$30,000, the proposed 2016 Benefits program reflects keeping the plan at 2015 premium rates. The proposed 2016 Dental and Vision program will eliminate the need for direct reimbursement to employees for out of pocket prepayment of dental/vision services and will result in a new \$50 annual deductible per member.

Motion approved with 3-0 vote.

4. BID AWARD FOR THE BELLINGHAM SHIPPING TERMINAL REPAIRS PROJECT

Motion: Authorize the Executive Director to execute a contract with Razz Construction, Inc. of Bellingham, Washington for the Bellingham Shipping Terminal Repair Project in the amount of \$619, 929.06 plus a \$61,792.94 contingency for a total authorized contract amount of \$679,722.

Discussion: Project Engineer Norman Gilbert explained the proposed contract will combine the first phase of timber pier repairs included in the Bellingham Shipping Terminal (BST) Capital Maintenance Repairs (Capital Project) with other repairs to BST property damaged when the Horizon vessel broke free from the pier at berth No. 2 during a December 2014 windstorm. Of the 5 bids received, Razz Construction, Inc. was selected as the lowest responsive and responsible bidder to provide the necessary scope of work.

Motion approved with 3-0 vote.

5. AMENDMENT NO. 11 TO THE PSA WITH BERGER/ABAM FOR THE HARRIS AVENUE TIMBER PIER REPLACEMENT PROJECT WITHOUT THE CLEANUP COMPONENT

Motion: Authorize the Executive Director to execute Amendment No. 11 to the Professional Services Agreement (PSA) with Berger/ABAM for the Harris Avenue Timber Pier Replacement Project, in the contract amount of \$94,190, including a contingency of \$10,000 for a requested increase to the authorized amount of \$104,190 and yielding a total revised authorized amount of \$1,328,607.

Discussion: Senior Project Engineer John Hergesheimer reported the Harris Avenue Pier is in urgent need of major repair/ replacement. Initially the plans and permits for the Harris Avenue Pier project were produced under the Nationwide 38 Permit and due to the absence of Model Toxics Control Act (MTCA) funds; a new permit must be prepared. The proposed amendment will provide the necessary additional consultant support to revise permits and update design documents necessary for a obtaining a Nationwide 3 Permit, enabling the maintenance of the in-water facility while removing the cleanup component.

Motion approved with 3-0 vote.

6. RESTATED MEMORANDUM OF UNDERSTANDING FOR ALL AMERICAN MARINE'S BUILDING EXPANSION AND SITE PREPARATION AT HILTON AVENUE

Motion: Authorize the Executive Director to execute a Restated Memorandum of Understanding (MOU) with All American Marine, Inc., for site preparation and construction of a new building and negotiate the terms of a long-term lease at the Hilton Avenue site in Bellingham, which will be brought forward for Commission consideration.

Discussion: Real Estate Representative and Analyst Terry Ilahi reported the Port approved a Memorandum of Understanding (MOU) with All American Marine (AAM) Inc. in June 2015. The agreement stated the Port was to prepare a site and construct a 39,000 square foot manufacturing building at the Warehouse No. 9 site. Port staff and AAM have since determined the Hilton Avenue location to be the preferable and better suited site for the construction of the facility. This change will be reflected in a restated MOU agreement to be drafted between the Port and All American Marine, Inc.

Motion approved with 3-0 vote.

7. AMENDMENT NO. 3 TO THE PSA WITH CARLETTI ARCHITECTS, PS FOR THE ALL AMERICAN MARINE (AAM) FACILITY EXPANSION

Motion: Authorize the Executive Director to execute Amendment No. 3 to the Professional Services Agreement (PSA) with Carletti Architects, PS for site analysis and building configuration at the new Hilton Avenue site in the amount of \$50,000 for a total authorized PSA amount of \$328,728, and increase CIP No. 107-655-1900 in the amount of \$50,000 for a total budget amount of \$300,000.

Discussion: Facilities Director Adam Fulton explained the site location for the planned All American Marine (AAM) expansion has changed from AAM's current Fairhaven Shipyard location to Hilton Avenue. The proposed transaction will serve as a bridge to allow architectural, civil and electrical engineering and surveying work to continue and the site design to be decided on.

Motion approved with 3-0 vote.

8. NEW LEASE - EDWARD D JONES & CO., L.P. D/B/A EDWARD JONES

Motion: Approval of a lease between the Port of Bellingham and Edward Jones for premises located in the Harbor Center Building.

Discussion: Real Estate Representative Judy Harvey reported the proposed new lease with Edward Jones is for approximately 1300 square feet in the Harbor Center Building. The term is for 7 years with one 5 year renewal option. Beginning with month thirty-seven (37), Edward Jones may choose to terminate the Lease with not less than 90 days prior written notice and in such case will pay a sum of six (6) months base rent as liquidated damages. A broker fee will be paid per the Port's realtor compensation policy.

Motion approved with 3-0 vote.

9. ECONOMIC DEVELOPMENT ADMINISTRATION (EDA) REVOLVING LOAN FUND (RLF) FOR TRANSITION COMPOSITIES INC.

Motion: Authorize the Executive Director to execute documents required to close the recently approved \$75,000 loan between Transition Composites Inc., and the Port of Bellingham Economic Development Authority (EDA) Revolving Loan Fund (RLF).

Discussion: Economic Development Specialist John Michener explained the proposed transaction will assist in the purchase of new equipment for the expansion of Transition Composites Inc., a manufacturing company located in Ferndale, Washington.

Motion approved with 3-0 vote.

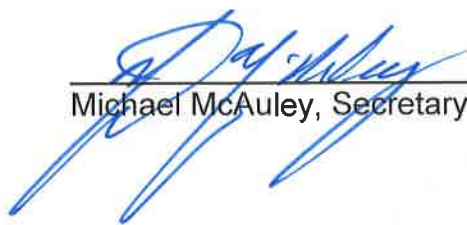
NEW BUSINESS

1. None

ADJOURN With no further business, the meeting was adjourned at 5:30 p.m.



Daniel M. Robbins, President



Michael McAuley, Secretary