

# PORT OF BELLINGHAM

## MAC (MARINA ADVISORY COMMITTEE) MEETING TUESDAY, APRIL 13, 2010 SQUALICUM HARBOR OFFICE BELLINGHAM, WASHINGTON

### Minutes

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#### **Committee Members Present:**

Peter Border  
Jeff Hegedus  
Paul Lavelle  
Tim Mumford  
Joe Orem  
Brian Pemberton  
Doug Sterrett  
Jim Young

#### **Committee Members Absent**

Cliff Cultee  
Gene Knutson

#### **Port Representatives Present:**

Dan Stahl  
Mike Endsley  
Pam Taft  
Andy Peterson

#### **Committee Members Excused**

Ryan Kapp  
Ron Kleinknecht  
Jim Splaine  
Jerry Writer

#### **Visitors/ Guests:**

Commissioner Jim Jorgensen  
Sam Mumford

### **Roll Call**

Jeff Hegedus, Chair, called the meeting to order at 6:00 pm.

### **March 9, 2010 Minutes**

Peter Border moved for approval of the March 9, 2010 minutes. The motion to approve was seconded by Jim Young. The motion passed unanimously.

### **Public Comment**

There was no public comment.

### **Introduction of Rob Fix**

Dan introduced Rob Fix, the Port's CFO, to the MAC. Rob is a native of Seattle who earned his undergraduate degree at Washington State University (Go Cougs!) having earned a BS in economics with a concentration on hotel and restaurant administration. He served in varying areas within the industry with increasing responsibility; first as a

controller, next as a financial analyst and later as a director of development. He spent a number of years at Trillium and most recently worked for a company called MTM Luxury Lodging and FST Asset Management managing high end hotels worldwide. Rob replaced the Port's prior CFO, John Carter, in 2008. Rob was asked to come to the meeting tonight to participate in the discussion on budget expenses as they relate to the model as well as the discussion on the moorage model review.

### **Dockside Feedback**

Jim Young asked a question about vessel registration and how the Port does or does not enforce this. Mike Endsley responded that this has typically been an issue for Whatcom County as the County receives the revenue from the vessel registration. Stu Smith, a long time Whatcom County sheriff, had traditionally coordinated with Port staff on enforcing vessel registration. Stu recently retired and there was some uncertainty as to how the County would follow up on this enforcement issue. Brian Pemberton raised a related question regarding the correlation between vessel registration and requiring vessels to display a USCG Auxiliary decal demonstrating a performed vessel safety inspection. Brian reported that many of the vessels in his charter fleet are denied access to some Canadian marinas unless the vessels have been inspected. This inspection typically covers minimum safety requirements as well as a current registration. Peter Border added that the local power squadron is willing to partner with the Port in assisting with vessel inspections. After more discussion, Jeff Hegedus summed up the consensus of the MAC that further discussion of vessel registration, safety requirements and inspections would be a fruitful topic for the MAC and would work to schedule this as an agenda item at a future meeting.

Jim Young offered up that the boaters at Gate 8 love the new pump-out and congratulated the Port on being able to install this facility, especially since the Port was able to get grant money that offset a part of both the capital and operating costs.

Brian Pemberton commented on the success of CharterFest and was pleased with the increase in bookings that they have received over the prior year.

### **Opening Day**

Mike Endsley talked about Opening Day at Squalicum Harbor. Mike reminded the MAC of the schedule for the Opening Day festivities and suggested they all come down and participate in the events.

Pam Taft reviewed the goings on in Blaine which has a different character. Pam offered up that May 2 would be the Blessing of the Fleet which is typically done at the Port facility in Blaine. The annual Blessing of the Fleet is held as a memorial to all the commercial fishermen who lost their lives at sea and blessing the active fleet for a safe season. Blaine was built around the commercial fishing industry and this event shows that many commercial fishing families still live in the Blaine community.

## **Continued Discussion of Operating and Capital Expenses**

This item was intended to answer the specific questions that were asked by MAC members at the prior meeting regarding the operating expenses for the marina, specifically as how they relate to the Port's moorage model. Each of the items that were raised at the prior meeting was explained in a series of graphs. (The presentation, titled "2010 Budget review – Continued Discussion of Operating and Capital Expenses" is attached and incorporated into these minutes). Each budget line item had three graphs – one for Blaine, one for Squalicum and one for the combination of the two. Each of the three graphs contained data for the years 2006 through 2010 and graphed the difference between the budgeted numbers and actual numbers. There was a broad discussion with the MAC and Port staff including the CFO about Port budgeting procedures and how we are updating our procedures to take better advantage of past data (actual expenses as opposed to budgeted numbers). There was widespread agreement that this practice will aid the marinas and the Port as a whole in sharpening its budget focus. Several of the areas that Pam offered further explanation on included an expense "hold-down". What this means is that staff will reduce a number of their budget target for 2010. When these voluntary hold-downs are accumulated they total \$85,250.

An item that took considerable discussion in this review was the expenses that the marinas bear for garbage. This expense has been increasing significantly over time due to both increased volume and increased rates. The garbage facilities at Squalicum Harbor are difficult to manage in that they service a number of users as Mike Endsley pointed out. This includes not only the recreational moorage tenants but the commercial fishermen, the commercial fishermen's webblockers, restaurants, public areas and other offices and leasehold interests. With this wide array of users who have legitimate access to the dumpsters it is very easy for "volunteers" to show up with their garbage and place it in the dumpster when they have no business doing so. Port staff monitors this and chases people away but it very difficult to enforce and our expenses seem to be growing out of control. There was a broad consensus from the MAC that we need to change this paradigm somehow as the costs are becoming excessive.

Dan concluded this item by suggesting that we keep the moorage issues a focus in the coming year, and that perhaps the MAC might want to work closely with the staff as we begin to construct the 2011 budget, starting sometime this summer. There was a consensus from the MAC that the prior presentations answered the questions raised in the past meetings, and that the MAC would appreciate the opportunity for input into the new budget.

## **2010 Moorage Model Review – Scoping Discussion**

Dan next walked thru the process whereby the MAC reviewed the moorage model in 2006. Dan and Pam Taft will be taking a lead for staff in this process. To facilitate this, Dan recently made a temporary staffing change. Andy Peterson will be taking on Pam Taft's supervisory responsibilities in Blaine. Pam has relocated her office down to Squalicum and will be taking point on the development of data and the spreadsheets to support the model review. Regarding the MAC, in 2006 there were three members – Jeff Hegedus, Mike Reed and Jim Splaine – who participated in all of the subcommittee meetings. There was discussion with the MAC on what number would be appropriate.

There seemed to be an agreement that three would be a good number. Dan asked the MAC members to think about this and asked the MAC members to confirm at the next meeting if they would want to participate. In 2006, Steve Ross (former MAC chair, and faculty member at WWU) also participated. At the suggestion of the MAC, Dan will contact Steve to see if he would be interested in some form of review in 2010 as well. In 2006, the subcommittee met approximately every two weeks for about a four hour session. The MAC then talked through the timing of this trying to have this analysis completed by both the MAC and adopted by the Port Commission by the end of the year.

### **Staff Updates**

1. Mike Endsley reported that he had followed up with Earl Steele at Bellingham Technical College regarding the fish pens at Squalicum. Earl stated that the facilities (that are currently not being used) would be removed by the end of June. Doug Sterrett appreciated Mike's follow through as discussed at the last meeting.
2. Dan Stahl mentioned that the Port recently approved an amendment to Reid Middleton's professional services contract with the Port regarding technical support for the Gate 3 F & G project. The revision would allow the Port to do further analysis on upland beneficial re-use of the dredge material for Gate 3. This is another small step that hopefully will allow the full replacement of docks F & G.
3. Dan also mentioned that Seaview North has recently initiated a zoning change for their property located adjacent to Bellingham Cold Storage. There was discussion about the MAC in supporting marine trades. The MAC asked to be kept apprised as to the schedule.
4. Mike Endsley gave an update on CharterFest. This was the fifth year that the Port has worked in coordination with local merchant leaseholders. Brian Pemberton indicated that the event was well run, appreciated by the merchant leaseholders and that there was good turnout.
5. Pam Taft gave a quick update on the PCC conference that was held in Bellingham last week. PCC is Pacific Coast Congress of Harbormasters, a coast wide organization from Alaska to California of harbormasters.
6. Dan gave a quick update on the NOAA appeal process which seems to be winding down. Other people may continue to pursue the issue but it appears that the Port's role is coming to an end.

With no further items on the agenda the meeting was adjourned at 8:15 PM