

Whatcom County Business & Commerce Committee

November 16, 2020

Voting members in attendance: Casey Diggs, Andrew Gamble, Clark Campbell, Debbie Ahl, Troy Muljat, Paul Burill, Debbie Ahl, Sarah Rothenbuhler, Ryan Allsop

Non-voting members in attendance: Don Goldberg, Rud Browne, CJ Seitz

Public in attendance: Jennifer Noveck, John Michener, Gina Stark, Cara Buckingham, Jed Holmes, Rob Fix, Guy Occhiogrosso, Derek Long, Elke Stevens, Ken Bell, Michael Shepard, James Hayes, Erika Lautenbach, Satpal Sidhu

Motion to call the meeting to order at 11:03am.

October meeting minutes approval move for a vote. Second by Debbie Ahl. Meeting minutes passed unanimously by a show of hands on Zoom call.

Clark asked if there were any public comments? No one responded.

Members of the public, please introduce yourself and say if you have a public comment:

Derek Long, Sustainable Connections, no public comment.

Elke Stevens, Construction, no public comment.

Elizabeth Boyle, Whatcom Safer Stronger Together campaign, no public comment.

Jed Holmes, from the County Exec's office, no public comment.

Rob Fix, Port of Bellingham, no comment

Clark: That's everyone. Admin business. We are still getting this virtual meeting down. Anyone who is a voting member should try to keep their video on because we will do votes by a show of hands.

Erika is in an emergency meeting from 11-12, she has her fellow employee here, Mr. James Hayes will provide us with a discussion on contact tracing. Erika will be here the second half of the meeting for the presentation and to answer questions.

Other point: For December meeting on the 21st. Clark made a motion to not cancel and move it forward to Dec 14 at the same time. There's been some discussion on the budget. If we do the December meeting, then we'd make the budget the topic, someone can give us details on revenue streams and challenges for service demand in the 2021 budget, which has been submitted and is in the process of finalization. It would be good for our group to get a report out on the budget and then we can all be on the same page for next steps for our group from a policy perspective. Cap that to say, I would like to put a motion to continue the meeting in December and move it to the 14th from 11-1230. Is there a second? Ryan seconded.

Move to a vote. If it passes, it'll be.

All in favor – Paul, Troy, Sarah, Casey, Clark, Ryan, Andrew, Debbie all raised hands. None opposed. Motion passes. Meeting will be December 14, Don, Debbie and I will work on a speaker for that.

We are 9 minutes in. Now it is time for the Whatcom County representative briefing.

Rud and Satpal are not in the meeting, so can Jed give an update?

Jed said he was just listening in and not planning to give an update.

Jed: I do not think that the committee's input is going to have an impact on the budget outcome.

Don: I just heard back from Rud, he was getting off another meeting and will be here soon.

Clark asked if any other questions?

Don gave updates on the Governors new restrictions on businesses. There is no indoor seating for restaurants. Outdoor seating is limited to 25%. As we all know this is not ideal for a lot of industries

The REP team will be linking the new guidelines on their website.

In the middle of all of this, we are probably busier on recruitment and trying to find buildings that businesses can occupy. We are still experiencing new companies wanting to expand down from Canada and the REP team is working with them. We are continuing to work on the housing supply for workers.

Clark: James Hayes has texted me, he has indicated that he can stand in for Erika that are the bullet points of the agenda

James Hayes presentation on contact tracing for employers

Depending on the size of the business, depending on if we are dealing with HR. The first contact is letting them know the person has been diagnosed. The employer tends to already know that. The next really big important thing that we do is identifying close contacts of that person that has been diagnosed with COVID. One thing we have to help understand what a close contact (Within 6 feet and 15 minutes) it does not have to be a solid 15 minutes; it could be split up during the day. That still counts as a close contact. I've seen in the last two weeks; we were down to 8 businesses that had active cases. Now there are 65 businesses. So in the past 2 weeks are going crazy. The line lists are getting longer.

Definitely make sure your employees know who the point of contact is for COVID. Having different methods for knowing how to do contact tracing. One of the most interesting ones I saw last week had actual satellite tracking of their vehicles, they could look through video of where they were, how many minutes at each job site. Amazing. A lot of places have video surveillance, they are relying on going back to that, this person is working here and who did they have contact with. Talking with the person ask on which dates and who you were around. You will get a date and we can determine who is present and who isn't. Some were 8-9 days while contagious.

Make sure employees are not ignoring symptoms. If they have symptoms, they should not come. If they come an extended period of time, they expose more people. That hits most of the bullet items there, all three of them.

Next few weeks make sure to implement social distancing. Change your policies and practices to achieve this!

Questions?

Commissioner Bell: What type of businesses are showing breakouts? Do you have a list of those?

James: No but can look into it. Who is the best person to get back to?

In chat: Rob states send the information to Don.

Don: Where is the most spread?

James: Individuals who have traveled or went to large social gatherings then go to work.

Outlook for the next six months, I would go that far, outlook for the next few weeks.

Casey: What about those who were in the trace chain (15 minutes and 6 feet) and came back negative but then why do they have to quarantine?

James: The testing can be tough. Maybe we test too soon and they could still become positive. We still need to trace because other can turn positive due to the close contact.

Casey: It helps to communicate that to our workers.

James: Sometimes that works and you'll meet the requirements of essential business. For some cases, the person can work 100% independently and not around anyone, using separate entrances. We just need to see the negative test 5 days after the last date of contact. The other thing I would add to is

It is 14 days from the last date of contact and that is best case scenario.

Don: Clark, did you want to share about your process?

Clark: I interacted quite a bit with James. Our entire focus was on how to prevent a case from happening. The screening, partitions, allowing the neck gaters, then two-layer face mask provided lots of cleaning protocols. That was with the mindset of trying to not have cases. My focus has shifted to assuming that cases will happen and will happen again, then it shifts more to what do we do when we get a case? The big learning for me, this case happened with about 4 hours of my father passing away, I wasn't even at the office. It will happen at an inopportune time and then you have to go into go mode, are you going to close, stay open, we have the same experience as Casey, ok we are going to close on Thursday and Friday, everyone gets tested and no one comes back until negative results. Then made contact with James and his team and was informed that they needed to identify the close contacts and then they needed 14-day quarantine, but we are essential, then we are in additional discussions. Having floor plans and schematics in hand is important, if you don't have that it will drag it out to be longer than 14 days. Fortunately, we had all of that.

Clark: One person was able to be identified, has fully recovered. No one else has had. What I also learned is that if you have a second case, you have to start over. IF you are in a business with 30 or 50 or more people, if that case goes from 1 case to 2 cases, the numbers start expanding and getting exponential and you will be shut down. What are we going to do when as opposed to what are we going to do if and then get your whole team to orient towards that mindset.

James thank you for that. Erika, James did a great job of giving a rundown of the bullet points. Maybe having you focus on the most recent update from the Governor and if there is anything she wants to share in terms of things business need to be doing to

Erika: There are a few things in Whatcom County, it's been challenging because for weeks we have seen trends really bad in other counties, hospitalizations increasing, positive tests increasing, we have had two record days of 50 cases. These restrictions might curb our cases.

We have one hospital and it is at 93% capacity. Emergency meeting with peace health, they are very concerned about their ability to serve the community. It is a key indicator, we can talk about cases, but the concern about the hospital's [capacity]. Generally, there is about a 3-week lag time, day 1 of a diagnosis does not need hospitalization, usually, unless you are a high risk category. Usually they need medical care 3 weeks later. They are in a contradictory space as Whatcom County because the Governor's decision to make new restrictions we will help Whatcom County because have had a shorter period of time for surges. Other counties are already surging. The downside is that if you are a person who hasn't read the news in the past

few days, you would have no idea we are surging. It is challenging to make it real for people. I won't go into details about the Governor's decisions. It is all public documents and I know as much as you frankly. What I would like to say to you as business leaders, this is getting worse, this is going to challenge all of our systems, challenge public health's ability to keep a handle on cases, health systems ability to treat people, people are tired of hearing from me. I would love to ask and invite you to help to be a messenger – for employees – to not travel, to not gather for holidays. We have no enforcement mechanism. If they get a call, they are not going to break up the party. We rely on other influential people to share the messages so that we can all get back to a place that is more sustainable. I want to ask for your help in that way and I am happy to take questions and engage in conversation.

Don; You mentioned peace health and potential of being overwhelmed. WE are prepared to stand up another facility if necessary, can you tell us about that briefly?

Erika: The health care system strategy, this is where it gets complex. The strategy was to have regional hubs and coordination, so people can go between areas where there is capacity and need. Our hub has been Harborview, and we cannot send people there anymore. The challenge is the healthcare system is experiencing all of these at once. For a field hospital, we have no staff. We can spend the money, but we cannot operationalize it. We are working with PH on finding, in terms of acuity, high acuity is ICU, the challenge that PH has is how to get people out of the beds and into other places and we can start to help with the structural issue that is capacity. They have someone who has been in the hospital for over 100 days and they need to move them so they can make them available for people who need it the most

Clark have they decided to cut down on discretionary surgeries

Erika that is a good question. There are a lot of reasons why this round is harder. There is no PPP. There is no unemployment. CARES Act is drying up. WE are submitting final receipts. And the hospital is feeling the weight of that. They had ways to keep themselves ok financially and to keep beds open. They are trying to balance staying financially solvent and keep beds open. They could cancel elective surgeries but they haven't and there isn't a new mandate. Yesterday's restrictions did not impact healthcare.

Commissioner Shepard: Schools are exempt. Does the health dept plan to provide guidance K-12 institutions?

Erika: We have a school response team. I am meeting with Superintendents. WE have basically daily conversations with the schools. It is a priority to get them back in school. In terms of risk, it is lower than a lot of activities.

Troy: Erika, thank you for all you are doing. Just want to encourage you and give you my gratitude. Thank you so much.

Clark: Thank you Erika

Debbie: Thank you Erika

Rud: I wanted to say that having been through Ontario and BC recently, I'd rather be in Whatcom County!

Don: Did you want to go back to Rud for a quick update?

Clark: Yes, Rud, we had Jed from the Exec's office fill in on a few questions. Any updates on docketed issues? Recent votes or decisions? Or any other things that you feel like are relevant given everything going on

Rud: Discussion of a quarantine facility, it is essentially for people who have nowhere else to quarantine. The big challenge is the seasonal challenge of dealing with homelessness. This winter is forecasted to be harsh. We need to provide accommodations so that people do not die on the streets. The county has arranged the Motel 6, divide the Byron St facility into a COVID area and a family shelter area. We will see how that goes.

The budget, we ended up close to the final budget. Probably come in with an assumption of 5-7% below what we were pre-COVID, I am concerned because it is backward looking in terms of impact of COVID money (PPP, CARES, etc.). We are doing a forward look based on recent numbers, but there is nothing currently in the pipeline for federal money. It is going to be a crapshoot as to how accurate those numbers are going to be next year. We need an early warning if things are going south in the community. If we need 10% cut, it is better to do gradual cuts then have to do a huge one, much more damaging to infrastructure and community. There's an item that has come up where we tried to find a way to increase law enforcement coverage, an increase in mental health incidents, consistent concern during COVID, isolation triggers more instances of mental health issues and that involves more intervention with law enforcement. We found money to expand our law enforcement and maintain things like training for mental health. We believe we can fund that by combining the 911 centers. We have two 911 centers. Most counties either have a single combined operation or are moving to one. And Whatcom County for some reason has two facilities, so that will come up in public debate. I'd like all of you to examine the issue. From a business perspective, I think it makes sense to combine the operations and reduce redundancies. Please be aware of that issue.

Want to give a little bit of an apology: I'm not happy with the comments in the past. I'm tired of saying what we can't do. The challenge I have as an elected, we are political subdivision of the state of Washington. We can be more restrictive on a law issued by a state but never less restrictive. I'm allowed to open the doors as far they'll let me. But can't open it further than they'll let me. I want to go to the COB and County and formally ask the planning departments to tell us exactly what can be changed, what do we have the legal authority to change (buffers, density, infrastructure). Do that and come back to you guys, these are the legal limits of what we can do. Within those limits, what can we do that will fundamentally do that will change the housing market. Anything else you can think of adding to that question, I'd like to hear.

Don: Just so you are aware, I've been meeting with Derek Long with the COB, because of many comments of the Council saying that it was Small Cities and specifically COB that is the problem. We are having biweekly meetings based on the recommendations provided to the council.

Rud: I'd like to make the conversation more public and transparent in terms of defining what we can and cannot do.

Don; And since you joined us a bit late, last meeting, Sarah brought it up. We've changed our meeting next month to December 14, we are going to focus on the county budget. Would that be yourself, Satpal, or Steve Oliver? Who would be the right guest to discuss budget and how it affect Business and Commerce?

Rud: Whatcom is fortunate to have a lot of experts, Tyler Schroeder and Brad Bennett, Tyler is Satpal's deputy and Bennett is the

Don will reach out to Tyler.

Question from Ken Bell for Rud, Ken is wondering about expansion of the UGAs, some cases like Lynden where they'd like to swap pieces of land out? Is the County looking into our UGAs and changing those boundaries?

Rud: This is one of the reasons I want to do this formally and in writing because I'd like to have transparency. But my understanding is that the County once every ten years sets the UGA boundaries and they do it based

on a population growth analysis and somewhat in negotiation with the cities. A lot of it is the battle of who pays for utilities.

Troy: There were city sewer agreements. There's also all the infrastructure that is needed in North Bellingham. There's only 53 homes for sale in Bham, with average price \$840,000, in the County price at \$714,000, so the problem is worse than ever. Rud's correct it is about utilities: water, sewer, there are ways to have discussions on how to bridge this gap. The development community is willing to talk about this and he is happy to provide the information. He is not going to buy the fact that we cannot expand UGAs because they were already there, but we are already sprawling. We are sprawling more than ever. 2 to 1. Without action, we sprawl.

Clark: Troy, there was even a motion to expand the Birchwood area and that was declined for various reason.

Troy: Separate issue with growth area expansion, but similar concerns.

Ryan: The city, county, and port are the three largest land owners in the County. Besides the federal government or DNR. Maybe we can sell some land and address some problems. 100 acre woods, take 20 acres and sell it and make it into affordable housing. It just seems a little, it goes back to the tax roll, I am not asking for blanket sales. Some creative thinking might make it worthwhile.

Ken: The one that went out to MBH, the city said they couldn't afford the fire protection, they would need more firefighters. The infrastructure is already there though, the neighbor was 90% in favor, but COB didn't want to pay for fire. I've got to believe if that is a possibility, there has to be a way to provide fire protection? If we go through each, we can identify the funding pinch.

Rud: I understand that fire in those areas the fire is provided via a levy, it doesn't come from County funding, it is on the tax bill inside the fire district. You can ask for an increase. One of the challenges if you look at the Birchwood neighborhood, they want to annex it, but the City still doesn't want to annex it, don't understand the math on that.

Paul: Is there worry about water adjudication if the tribe becomes the holder? IS there room for growth if water is restricted?

Troy: Separate convo, it will make this further complicated. That's why city utilities and agreements into fringe areas are important.

Paul: There's been no parameters put on the adjudication yet.

Troy: Water is going to become a very valuable commodity, if it isn't already.

Clark: We are at 1205 and we cut short the sector updates. IF there are other points on this topic, we can do it quickly and propose moving to sector updates. The format changes we've done; it is not possible to do everybody but we can do a deeper dive for 2-3 industries. Paul marine trades. Casey given the announcements from the governor. And Ryan.

Start with Paul.

Paul: Last week I was excited to drill down and talk with some people within the sector. As of yesterday my views changed. A lot of this is fishing and food production. 70% of domestic seafood product goes to restaurants, so you can see how that will affect us. This industry is a single digit margin. Last year on average it was down about 50%, meaning fishers are paying to go to work right now. To be told yesterday that we need to standby and take it as it comes is pretty tough, not happy about it. Little background, Paul has been a

crab fisherman, life and death risk management is something he has done for about 30 years. Would never ask people to do something he wouldn't.

Personal responsibility is a huge factor. The shutdowns are still to be determined, combined with a bad salmon year in Alaska, which is hurting everyone. There is product in the fishers, from 2019, packaging has not been changed.

E-commerce dock to table has really changed. Some improvements, but when talking with friends in Alaska, they have 250% up in e-commerce but it still isn't a complete replacement for normal revenue channels. If people are not present to purchase, they do not go fishing, if they do not fish, they do not need to do repairs on the boats. Diesel mechanics are down. Seasonal industry and delivery issues are causing problems. Retail is doing well, people have been able to stay off unemployment but a lot of products aren't manufactured locally and some products are getting harder to get.

Listening to Commissioner Brown, my heart sank. He asked for some out of the box ideas on how to help. I was really hoping we could choose a way to go back if we wanted to do, safely and proper protective measures. Basically that is no going to happen. Coming back around, it will be a tough go for marine trades, seafood industry, boats show zero profits (people upgrading, insurance, moorage). Sit on multiple boards, it is getting harder to get people to comply. There is no money coming on this, no such thing as free money anyway.

Ken: Can we weigh in on what the Port is doing? Want to weigh in that from the port perspective, we are doing everything we can. One of the ways you can help is to get out and buy dockside seafood when its available. We are trying to keep these guys in business.

Rob: The dockside market, we've been working for years to get this. The health dept was great to work with. We hope it will expand and get more fishermen involved.

Paul: I'd love to seafood eaten more widely in the US. A lot of times it is easier to access chicken and beef. Keep doing that, everyone appreciates it.

Rob: There is a great educational component involved to, how to filet fish, how to cook it.

Paul: Butter sales are up 50%.

Ken: We proposed a waterfront seating area so restaurants. could social distance on port property, we met permitting resistance beyond belief. One person said we are trying to permit a party. No, food trucks, tables, and it is a great outlet. If we could expedite those processes, that would help everybody. Tired of the permitting delays.

Don: This isn't associated with fish, we are in the process with Team Whatcom partners working on a buy local program that will be released in the next week or two. Derek's team at SC will be leading it. There will be gift cards. Get retailers to participate, so that people aren't shopping outside but spending money locally. That program will come out shortly.

Casey: Thanks everybody for being here. I clammed up a bit, it was hard to hear Erika say she was feeling for me. I know she is under a lot of pressure. Nationally, there about 8000 breweries, that brew under 600,000 barrels per year. The rest is brewed by ABBEV. They brew 13% of the beer sold in the US. I would think their number will go down due to sporting event canceled. We may see an uptick in the percentage as a result. Of those 8000, 495 are in Washington. We have only lost 167 closed so far this year. This is surprising because in 2019 there were 300 closures. I just speculate that early 2021 is when we are going to see more closures nationally.

Brewers association still has 400 breweries in planning going on that are set to open in 2021. In WA, 495 breweries, in July 2019, there 100,000 barrels paid in taxes. In July 2020, there were 45,000 barrels paid in taxes. According to WA Brewers Guild, production is down 25% across the board.

Who is struggling and why? People struggling in brewing, people with only a taproom or a brewpub because they sell over the counter. It is hard to get into the packaging world, being able to purchase a canning line and the planning for federal approval for labels, trying to get beer authorized and distributed into grocery stores, months and months of work to make this happen. A smaller brewery, it would very difficult to come up with the capital and HR. There are ways to find wins. We are seeing some wins with crowler (32 oz canned sealed product) instead of a growler. They are easy and affordable entry into canning. Still not going to move the volume when you could sell a keg to bars and restaurants.

People that already had canning lines and distributors.

People with strong relationships with distributors who can leverage their relationships with large grocery stores.

There is a canning shortage. There is one Ball Corporation, they will open a new can manufacturer in AZ. Places between White Claw and Red Hook facility, so they will probably monopolize.

Ryan: Difference between selling an in store pint versus a store.

Casey: We are never going to be able to hit volume with cans that we do with kegs.

Even smaller breweries that only sell a pint over the counter, the margin is pretty high if they can sell the pint direct.

Debbie: What can we do to support the breweries?

Casey: If you are going to buy beer, go direct to the breweries. They will still be able to sell beer to go.

Don: There's always drinking heavily.

Debbie: People are missing seeing people. Desperate and despondent. While we continue to keep it from spreading are there reasonable ways to support local businesses? Allowing people at a distance to be together.

Don: Do you want to move to Ryan? Want to thank Casey. Those are great updates, you did not focus on just your business, some macro, thank you for putting thought to that.

Ryan: My take is to buy direct. Uber eats and stuff is great, but everyone takes cuts. Go direct as much as possible. Tip heavily. Buy gift cards. Buy takeout and get drinks with it.

Complete opposite. I projected a down year. We had some big uplifts last year. We are up across the board 20%. We have divisions up 30%. Our primary is garden products, solar lights, decorative lights. Online retailers. Office products and cleaning accessories. Office ergonomics. Very timely. They've seen a lot of growth online. But it is also to retail partners like Best Buy, Home Depot. Some were shut down early, but once everyone opened, they do curbside pickups and some reopened nationally. Website sales were off the charts, some were really small and now are doing huge. 15% of the business is very seasonal, March to July, the outdoor product range has stayed relevant. People are still buying. It is doubled for this time of year. Independent dealers and web and mass retailers. Very unique year. They are not sure how to budget next year and they do not think it is sustainable. Unfortunately for independent retailers, every time there is a shutdown, they cannot sustain and do not have good website. Amazon has crushed it during this. Amazon is going to kill more businesses. I wouldn't shop there anymore. They really are killing local independent

retailers. Walmart did nothing in comparison. Our industry is up and I think it'll continue to be for a while. Any questions?

Paul: If we do three updates, can we do one positive? Hard to listen to myself!

Clark: Yeah, I think this worked pretty well. We are at 12:32, happy to go a bit longer if there are questions for Ryan with regards to his business.

Sarah: Great presentations. I am trying to be as big of a consumer. I do have another unrelated question: I wanted to say to Rud, thanks so much for your comments on transparency and appreciate what you are doing. If we can get the drill down on the tax revenue streams before the 14th, I think that would be most productive. What about the letter that was done before I came? I think Troy and Pete are some of the most knowledgeable in our group, so not to add to more to schedules, is there a way to incorporate Troy and Pete to the table for those meetings.

Don: The letter and presentation was done by Clark, Pete, and myself made to Council. Satpal followed up and sent a letter supporting what we suggested to Council. What I noticed is that we are often talking about the jurisdiction of Bellingham. Council also pushed back and said that. So I reached out to the Mayor and head of planning after Ali Taysi came last month and said what are we going to do about getting results? Was surprised and thankful that the Mayor and Planning Director said let's meet. WE have had 3-4 meetings on what can be done, what are the problems, and try to move them forward. We are doing it with a small group initially so we do not get bogged down, then open it up to a bigger group. Derek joined me because he is part of the Housing Alliance, he may want to add, but I believe it going quite well and will be opened up shortly.

Derek: I agree. I was also pleased when Fleetwood's question was about how to get the strategy out to the public asap, small group for just a while longer.

Sarah: Thanks for considering those guys immediately, there's so much knowledge there.

Derek: Don has been doing individual outreach to Troy and Pete.

Don: A number of the points that Pete has asked for we are discussing, also.

Casey: I would just like to echo the transparency. The basecamp thing just rolled out before our eyes. People didn't feel like they had a voice. The sooner the better, especially in COB city limits.

Ryan: One thing we need to make sure is that when the timing is right we come out against the naysayers, who always come out in droves.

Derek: Bellingham Alliance is out for recruiting public housing allies. How to make comments, there are several hundred allies. We feel like we reached a tipping point with ADUs. With positive support outweighing negative narrowly. In Fountain District, very positive comments, 10 to 1. Initial public meetings on multi-residential redo in COB are getting similar 6 to 1 7 to 1 pro housing comments. WE need to continue the momentum to keep this moving along. It is going to become important that businesses offer positive comments. The city may estimate conservatively that there are 2000 potential homes in the policy changes that they are talking about. We are encouraging staff and elected to move faster.

Next year they are planning to have 16 days of furlough, so just when we need them full strength. That is a problem on our minds.

Troy: I'd love to see where those 2000 units are. There are options to outsource planning and permitting.

Derek: That last idea is a top discussion idea.

Clark: We are at 12::43. Shout out to Rud about comments about transparency and openness. Sitting next to Pete, who knows the most, I was there to toss the bomb. WE did get pushback from Council and we knew there would be jurisdictional issues. Now that that dialogue is coming full circle, everyone coming together recognizing it is not an equity issue only, it is a business issue. This is restricting businesses from growing and moving to Whatcom County. With that I am going to motion to close the meeting. Troy second.

See you all again on the 14th and we will get an agenda out in advance. We will try to see if we can get information out in advance of the meeting.

Don: Will work with TS to get that to everyone.

Meeting ended at 12:44pm.