



Commissioners

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**APPROVED MINUTES
COMMISSION SPECIAL MEETING NOVEMBER 19, 2013**

The Port of Seattle Commission met in a special meeting Tuesday, November 19, 2013, in the International Auditorium at Seattle-Tacoma International Airport, Seattle, Washington. Commissioners Albro, Bowman, Bryant, Creighton, and Gregoire were present.

1. CALL TO ORDER

The special meeting was called to order at 9:04 a.m. by Tom Albro, Commission President.

2. EXECUTIVE SESSION pursuant to RCW 42.30.110

The special meeting was immediately recessed to an executive session estimated to last five hours to discuss matters relating to legal risk, potential litigation, labor negotiations, and review of qualifications of a public employee.

At 2:00 p.m., the Commission Clerk announced on behalf of the Commission President that the executive session would be extended until 2:10 p.m. to finish consideration of the matters previously announced.

Following the executive session, which lasted approximately five hours and 15 minutes, the special meeting reconvened in open public session at 2:17 p.m.

PLEDGE OF ALLEGIANCE

3. APPROVAL OF MINUTES

Minutes available for approval are included in the Unanimous Consent Calendar.

4. SPECIAL ORDERS OF BUSINESS

None.

5. UNANIMOUS CONSENT CALENDAR

[Clerk's Note: Items on the Unanimous Consent Calendar are considered routine and are not individually discussed. Port Commissioners receive the request documents prior to the meeting and may remove items from the Consent Calendar for separate discussion and vote in accordance with Commission bylaws.]

- 5a. Approval of the minutes of the regular meeting of October 8, 2013.
- 5b. Approval of the [Claims and Obligations](#) for the period of October 1, 2013, through October 31, 2013, including accounts payable checks nos. 817410-818347 in the amount of \$32,566,798.92 and payroll checks nos. P-175279-175471 in the amount of \$8,027,453.66 for a fund total of \$40,594,252.58.
- 5c. Authorization for the Chief Executive Officer to advertise for bids and award and execute a major construction contract for the Mezzanine Tenant Relocation project at the Seattle-Tacoma International Airport in an amount not to exceed \$1,997,000 out of a total estimated project cost of \$2,332,000 (CIP #C800560).

Request document(s) provided by Wayne Grotheer, Director, Aviation Project Management Group; James Schone, Director, Aviation Business Development; and James Jennings, Manager, Aviation Properties:

- Commission agenda [memorandum](#) dated November 11, 2013.
- Mezzanine [diagram](#).

- 5d. Authorization for the Chief Executive Officer to: (1) proceed with design of the S. 160th St. Ground Transportation Lot Project for an estimated \$667,000; (2) execute utility agreements with Puget Sound Energy (PSE), Comcast, and CenturyLink to underground utilities; (3) grant and transfer a utility easement, if necessary, to PSE, Comcast, and CenturyLink on Port property along the south side of S. 160th St. for the underground utilities; (4) reimburse PSE, Comcast, and CenturyLink in an amount not to exceed \$540,000 for the utility undergrounding work; and (5) transfer the utility undergrounding scope of work and \$973,000 of authorized budget from the Off-Site Roadway Improvements Project to the S. 160th St. Ground Transportation Lot Project (CIP #C101107).

Request document(s) provided by Michael Ehl, Director, Airport Operations; and Wayne Grotheer, Director, Aviation Program Management Group:

- Commission agenda [memorandum](#) dated November 11, 2013.
- Aerial [diagram](#).
- [Letter](#) to the City of SeaTac dated April 11, 2011.

Motion for approval of consent items 5a, 5b, 5c, and 5d – Creighton

Second – Gregoire

Motion carried by the following vote:

In Favor: Albro, Bowman, Bryant, Creighton, Gregoire (5)

PUBLIC TESTIMONY

As noted on the agenda, an opportunity for public comment was provided, although no public comment was offered at this time.

6. DIVISION, CORPORATE, AND COMMISSION ACTION ITEMS

Without objection, the Commission advanced to –

6c. First Reading of Resolution No. 3687: A resolution of the Port Commission of the Port of Seattle adopting the Association of Washington Cities Employee Benefit Trust Health Care Program Interlocal Agreement.

Request document(s) provided by Gary Schmitt, Labor Relations Manager:

- Commission agenda [memorandum](#) dated November 13, 2013.
- Resolution No. [3687](#).
- Interlocal [agreement](#).

Presenter(s): Mr. Schmitt.

The Commission received a presentation that included the following relevant information:

- The interlocal agreement provides the option to renew coverage under the Association of Washington Cities (AWC) Employee Benefit Trust Health Care Program. Approximately 69 active and 34 retired Port firefighters covered by the program, which has covered Port firefighters since 1984.
- AWC has adopted a self-insured model, and 2014 rates will not change.
- During 2014, the Port would be able to provide the same coverage for firefighters while maintaining the ability for the AWC coverage to be part of collective bargaining negotiations after the current agreement expires December 31, 2013.
- Failure to adopt the resolution will preclude continued coverage under the plan in 2014.
- There are critical deadlines arising from the scheduling interests of the AWC, creating the need for disposing of the resolution expeditiously.

Motion to waive the requirement of Article VIII, Section 1, of the Port Commission Bylaws that resolutions not be adopted on the same day at which they are introduced – Bryant

Second – Bowman

Motion carried by the following required unanimous vote of all Port Commissioners:

In Favor: Albro, Bowman, Bryant, Creighton, Gregoire (5)

Motion for first and second readings and final passage of Resolution No. [3687](#) – Bryant

Second – Gregoire

Motion carried by the following vote:

In Favor: Albro, Bowman, Bryant, Creighton, Gregoire (5)

Following consideration of agenda item 6c, the Commission returned to consideration of –

6a. Second Reading and Final Passage of Resolution No. 3685, as amended: A resolution of the Port Commission of the Port of Seattle adopting the final budget of the Port of Seattle for the year 2014; making, determining, and deciding the amount of taxes to be

levied upon the current assessment roll; providing payment of bond redemptions and interest, cost of future capital improvements and acquisitions, and for such general purposes allowed by law which the Port deems necessary; and directing the King County Council as to the specific sums to be levied on all of the assessed property of the Port of Seattle District in the Year 2014.

Request document(s) provided by Dan Thomas, Chief Financial and Administrative Officer, and Michael Tong, Corporate Budget Manager:

- Commission agenda [memorandum](#) dated November 8, 2013.
- [Presentation](#) slides.
- Resolution No. [3685](#), as amended.

Presenter(s): Mr. Thomas.

The Commission received a presentation that included the following relevant information:

- There are budget items related to Century Agenda workforce development strategies that are included in the budget and total about \$640,000 of the amended budget as presented for second reading.
- The addition for Workplace Responsibility is for \$50,000 for an external certification study, not an FTE, as incorrectly indicated in the presentation slides.
- The \$50,000 designated for initial strategy implementation of career pathways represents an initial phase only of a broader strategy to be developed to enable people to develop careers through their work at the Airport, rather than simply fill a job.

**Motion for second reading and final passage of Resolution No. [3685](#), as amended – Creighton
Second – Bowman**

Motion carried by the following vote:

In Favor: Albro, Bowman, Bryant, Creighton, Gregoire (5)

6b. Second reading and final passage of Resolution No. 3686: A resolution of the Port Commission of the Port of Seattle establishing jobs, pay grades, salaries, allowances and adjustments for Port employees not represented by a labor union; authorizing and establishing conditions in connection with the following benefits: Social Security, industrial insurance, Unemployment Compensation, military leave; retirement; compensated leave, including civic duty, bereavement leave, holidays, paid time off/extended illness leave, shared leave, and awarded time; insurance benefits, including medical, dental, life and long-term disability; and authorizing this resolution to be effective on January 1, 2014, and repealing all prior resolutions dealing with the same subject, including Resolution No. 3671.

Request document(s) provided by Tammy Woodard, Assistant Director, Human Resources & Development – Total Rewards:

- Commission agenda [memorandum](#) dated November 6, 2013.
- Resolution No. [3686](#).

- [Schedule](#) of position titles and salary ranges.
- [Comparison](#) to Resolution No. 3671

There was no presentation at this time. The Port Commissioners received a presentation on Resolution No. 3686 during its consideration on October 22, 2013, and the request documents were distributed for review prior to the meeting of November 19, 2013.

Motion for second reading and final passage of Resolution No. [3686](#) – Bryant

Second – Creighton

Motion carried by the following vote:

In Favor: Albro, Bowman, Bryant, Creighton, Gregoire (5)

Agenda item 6c having been disposed of previously, the Commission advanced to –

6d. Authorization for the Chief Executive Officer to execute separate service agreements for construction management; special testing, inspection, and investigation; surveying and locating; and safety services, with approximate values of \$18 million, \$2.1 million, \$500,000, and \$500,000, respectively, for the International Arrivals Facility at Seattle-Tacoma International Airport. No funding is associated with this authorization request (CIP #C800583).

Request document(s) provided by Ralph Graves, Managing Director, Capital Development Division; Janice Zahn, Assistant Director of Engineering, Construction Services; and Alfred Moreno, Program Leader, Aviation Project Management Group:

- Commission agenda [memorandum](#) dated November 11, 2013.

Presenter(s): Ms. Zahn.

The Commission received a presentation that included the following relevant information:

- On July 23, 2013, the Commission approved preliminary funding for a new International Arrivals Facility (IAF) at Seattle-Tacoma International Airport. The projects include constructing a new IAF facility adjacent to Concourse A, modifications to Concourse A, and a connector between Concourse A and the South Satellite, where international flights arrive.
- The IAF program is currently estimated to cost \$316 million and be completed in 2018.
- The new facility and Concourse A modifications will be constructed using a design-build methodology in which a contract is awarded to a team including a designer and construction contractor.
- The connector is a separate project that will be built using a design-bid-build methodology.
- The use of consultants for construction management services, special testing, inspection, and investigation services, and surveying and safety services is part of the staffing plan for the multi-year program. Port staff would provide oversight and management of contracted services.

- The alternative to using consultants would involve hiring limited duration employees to provide these services.
- Consultant resource needs will be adjusted accordingly as the project scope and schedule are refined. Service directives for specific services will include a clear scope and budget for the specific work. The consulting agreement is project specific, owing to the size of the program. Other indefinite delivery, indefinite quantity (IDIQ) contracts will be used to provide similar services on smaller projects.
- It is anticipated that the design-build team, contracting service providers, and Port staff would be located together for work efficiencies.

Motion for approval of item 6d – Gregoire

Second – Creighton

Motion carried by the following vote:

In Favor: Albro, Bowman, Bryant, Creighton, Gregoire (5)

6e. Authorization for the Chief Executive Officer to: (1) adjust scope to reallocate the various elevators and escalators between Vertical Conveyance Modernization, Aero Phase 1 and Phase 2 CIPs to best address operational concerns and coordinate with the NorthSTAR program; (2) combine both Vertical Conveyance Modernization Aero Phase 1 and Aero Phase 2 CIPs into a single CIP; and (3) advertise for bids and execute construction contracts for the Vertical Conveyance Modernization, Aero Phase 1 including associated regulated materials abatement and removal for a project total of \$14,999,000. The combined project total will be \$24,556,408. (CIPs #C800251 and #C800375).

Request document(s) provided by David Soike, Director, Aviation Facilities and Capital Program; and Wayne Grotheer, Director, Aviation Project Management Group:

- Commission agenda [memorandum](#) dated November 11, 2013.
- Airport [diagram](#).

Presenter(s): Mr. Soike and Michael Tasker, Capital Program Leader, Aviation Project Management Group.

The Commission received a presentation that included the following relevant information:

- The project will build elevators to replace aging equipment over a two-year period.
- Individual capital improvement projects (CIPs) will be combined for administrative needs and better efficiency.
- The work has been approved by the airlines and is included in the 2014-2018 capital plan recently presented.
- Seven elevators would be modernized – six traction and one hydraulic. Oil coolers will be added to 12 elevators to increase reliability. Four escalators will be rehabilitated.
- There are currently 80 elevators and 79 escalators at the Airport, and many of them are over 40 years old.
- Improvements for code compliance, reliability, and energy efficiency are intended.

- There were 44 escalators covered in the previous project phase. The four being rehabilitated in this project phase at the north end of the terminal were newer than the previous ones and therefore a lower risk to rehabilitate later. Shutting down escalators, especially in the ticketing area, presents several logistical challenges.

Motion for approval of item 6e – Creighton

Second – Bowman

Motion carried by the following vote:

In Favor: Albro, Bowman, Bryant, Creighton, Gregoire (5)

6f. Authorization for the Chief Executive Officer to increase the amount of the Pier 66 Cruise Terminal and Bell Harbor Conference Center Steam Replacement project by \$160,000 to complete all remaining installation and closeout tasks for a total revised project authorization of \$1,560,000.

Request document(s) provided by Melinda Miller, Director Real Estate Portfolio and Asset Management, and Mark Longridge, Capital Project Manager:

- Commission agenda [memorandum](#) dated November 13, 2013.

Presenter(s): Mr. Longridge.

The Commission received a presentation that included the following relevant information:

- Due to work on the Elliott Bay seawall, Seattle Steam has informed the Port that they will no longer be able to provide steam to facilities at Pier 66 for heat and hot water.
- On November 1, four new natural gas boilers began providing heat and hot water in lieu of steam. No events at the Bell Harbor International Conference Center had to be cancelled or moved during installation.
- Completion of final work, including demolition of the original steam system, incorporation of the current system into the building management system, and removal of materials, will require an additional \$160,000. This will bring the total project authorization to \$1.56 million.

Motion for approval of item 6f – Gregoire

Second – Bowman

Motion carried by the following vote:

In Favor: Albro, Bowman, Bryant, Creighton, Gregoire (5)

7. STAFF BRIEFINGS

7a. 2013 Third Quarter Capital Improvement Projects Report.

Presentation document(s) provided by Ralph Graves, Managing Director, Capital Development:

- Commission agenda [memorandum](#) dated November 12, 2013.

- [Presentation](#) slides.
- [Capital Improvement Projects Third Quarter Report 2013](#).

Presenter(s): Mr. Graves.

The Commission received a presentation that included the following relevant information:

- Project status performance is comparable to that in the previous quarter.
- The Eighth Floor Weatherproofing project in the Bell Street Parking Garage will be delayed due to failure of weatherproofing in sections B and C.
- The C60-C61 Baggage Handling System Modifications project is critical to support increased load expected from Delta Air Lines.
- The Vertical Conveyance System project is delayed due to change orders.
- Stage 2 Mechanical Energy Implementation includes provision to ensure that performance measures in the contract have been met.
- Phase 2 of the Security Exit Lane Breach Control project revealed that three sets of gates are needed, instead of two.
- The South Satellite Concessions project is nearing completion.
- The Commission authorized an award above the engineer's estimate for the Doug Fox Site Improvements project. Staff is working with Pelco to find ways to value engineer the project to construct it less expensively.
- The Fishermen's Terminal Building C-15 HVAC project is expected to continue into June 2014. The contractor will provide temporary air conditioning as needed.
- The Terminal 91 Maintenance Dredging project has been delayed about a year. Review of the tide tables and cruise ship schedule suggests the depth is sufficient for the coming season.
- Port Construction Services was instrumental in the expeditious success of the Pier 66 Steam Replacement Project.
- The Maximo project has been ongoing since 2007, and many new interface components have been added to the project scope over time.
- The Police Records Management Project is complete.
- In 2014, the goals for the small business contracting program will be increased for major construction and small works construction.
- The numbers for procurement phase times presented do not add up directly due to some numbers being measured by project and others by contract. There are improvement measures underway to improve procurement times, and there is a lot of time involved in negotiation after a qualified consultant has been identified. Multiple participants from the Central Procurement Office, department representatives, and others contribute to increased procurement times. It is important for the procurement process to be initiated early enough to accommodate current procurement times.
- Setbacks to process-improvement efforts in 2013 are due to three very large contracts that took a long time to evaluate.
- Process improvement strategies will also be applied to negotiation times.
- Negotiation over rates and time estimates after selecting a contractor might take 80 days due to busy schedules on both sides and multiple exchanges by email. Contracts for

services are formed based on qualifications with cost still to be determined. The differences to be negotiated are sometimes very far apart.

- The American Council of Engineering Companies (ACEC) of Washington consults quarterly with Port staff on streamlining negotiating for professional services.
- Better defined designs are important to reducing the percentage of capital projects with schedule or cost variances.

Commissioner Bowman requested a more extensive briefing on small business contracting in the first quarter of 2014. Commissioner Albro requested more information in general on procurement processes. Commissioner Bowman requested that the exact percentage over engineers estimate be provided in future presentations for the category of variances with bids exceeding 10 percent of engineers estimate.

8. NEW BUSINESS

None.

9. POLICY ROUNDTABLE

None.

RECESSED AND RECONVENED

The special meeting was recessed at 3:07 p.m. to hold an executive session estimated to last 20 minutes to discuss matters relating to review of qualifications of a public employee. Following the executive session, which lasted approximately 20 minutes, the special meeting reconvened in open public session at 3:33 p.m.

10. ADJOURNMENT

There being no further business, the special meeting was adjourned at 3:33 p.m.

John Creighton
Assistant Secretary

Minutes approved: March 18, 2014.