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Item NO: 6b Exhibit A redline
DATE OF MEETING: March 10, 2015

Port of Seattle Commission Delegation of Responsibility and Authority to the CEO

Preamble

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The Port of Seattle’s mission is to create jobs by advancing trade and commerce, promoting industrial growth, and stimulating economic development. The Century Agenda, adopted by the Port Commission in late 2012, sets out strategies, objectives, and regional initiatives that guide the Port’s efforts in pursuit of this mission.

The Port was established under Washington law as a public agency and engages in commercial enterprises that sustain a healthy economy. It is therefore endowed with both governmental and commercial powers. These dual capabilities require institutional frameworks that foster public accountability and empower direct conduct of commercial activity. The Commission is updating the current ~~General Master~~ Delegation of Authority to pursue the Century Agenda.

The Port is committed to create economic opportunity for all, steward the environment responsibly, partner with surrounding communities, promote social responsibility, conduct itself transparently, and hold itself accountable.

All authority of the Port of Seattle is vested with the Commission in its actions as a public body. Through this new General Delegation, the Commission subsequently and hereby vests authority with the Chief Executive Officer (“CEO”) and delineates Commission and CEO responsibilities. It sets expectations and lays the basis for the respective efforts of the Commission and CEO to be aligned, complementary, and effective.

Section I: Objectives of this General Delegation:

A. Create Clarity and Alignment: This General Delegation clearly delineates the responsibility and authority of the Commission and the CEO:

- 1) **The Commission** governs the Port, leads all inter-governmental functions, and oversees the CEO.
- 2) **Together, the Commission and CEO** develop the Port’s overall vision, strategies, objectives, Policy Directives, long-range plans, major programs and budgets.
- 3) **The CEO** executes the long-range plans and major programs, oversees all enterprises and supporting functions, and advises the Commission.

B. Provide Transparency and Accountability: This General Delegation specifically calls for the development and adoption of Policy Directives to guide the Port’s efforts in pursuit of its strategic objectives. Policy Directives

- 1) Provide high-level guidance about how the Port does its work based on public values and applicable laws, rules and regulations.
- 2) Inform operational policies regarding specific functions at the port and set appropriate

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limits.

- 3) Deliver standards that support the effective use of the internal audit function to verify compliance.

C. **Pursue the Century Agenda:** This General Delegation emphasizes long-range plans as the means of pursuing the Century Agenda strategies and objectives. It utilizes the long-range plan approval and update processes to align the Commission and the CEO. Long-range plans identify *what work needs to be done* to pursue strategies and achieve objectives. These describe the 1) strategy and objective(s) being pursued; 2) work plan, resources, and timeline; 3) metrics that monitor progress; and 4) reporting frequency to the Commission. Long-range plans are developed around strategies and objectives, not operating divisions and budgeting periods.

D. **Empower for Concerted Action:** Clear responsibilities and authorities will enable the Commission and CEO to work in concert and be effective.

Section II. Delegation of Responsibility and Authority

A. Governing the Port of Seattle as its elected body, the Commission shall:

- ~~a-1.~~ Represent the Port to the general public and other government bodies.
- ~~b-2.~~ Establish positions and lead advocacy efforts regarding public policy, legislation, and regulation.
- ~~c-3.~~ Appoint the CEO.
- ~~d-4.~~ Conduct the annual performance review of the CEO and provide input to CEO regarding the performance of those employees that report directly to the CEO.
- ~~e-5.~~ Consider all matters in conflict with adopted Policy Directives.
- ~~f-6.~~ Set the port district’s annual property tax levy.
- ~~g-7.~~ Oversee the internal audit function.
- ~~h-8.~~ Reserve to itself all authority not herein expressly delegated.
- ~~9.~~ Consider and authorize any Port debt by a resolution.
- ~~i-10.~~ Consider and approve the settlement of any legal claim valued at \$300,000 or more.

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B. Guiding the Port of Seattle and together with the CEO, the Commission shall:

- ~~a-1.~~ Develop, adopt, and refine the vision, strategies, and objectives of the Port.
- ~~b-2.~~ Develop, adopt, and amend Policy Directives.
- ~~c-3.~~ Consider, approve, and refine long-range plans.
- ~~d-4.~~ Consider and authorize new enterprises and initiatives.
- ~~e-5.~~ Consider, authorize, and modify major programs and projects.
- ~~f-6.~~ Consider and adopt annual operating and capital budgets.
- ~~g-7.~~ Consider and adopt annual salary and benefit resolutions.
- ~~h-8.~~ Consider and approve collective bargaining agreements.
- ~~i-9.~~ Consider and authorize Interlocal Agreements except as delegated to the CEO, as defined under the relevant Policy Directive.
- ~~j-10.~~ Consider and authorize the acquisition and sale of real property and other capital assets.
- ~~11.~~ Consider and establish industrial development districts and utilities—.

Comment [PoSU1]: What exactly does this mean? How does the Commission guide "together with the CEO"?

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12. Approve assignment of defense counsel for any employee accused of fraud or criminality.

~~k.~~

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C. Serving the Port of Seattle and the Commission, the CEO shall:

- ~~a.1.~~ Prepare the Port's long-range plans and plan updates.
- ~~b.2.~~ Evaluate promising new enterprises and initiatives; prepare proposals as warranted.
- ~~c.3.~~ Develop major programs and projects and updates to major programs and projects.
- ~~d.4.~~ Prepare operating and capital budgets.
- ~~e.5.~~ Negotiate collective bargaining agreements.
- ~~f.6.~~ Evaluate possible acquisitions and sales of real property and other capital assets; prepare proposals as warranted.
- ~~g.7.~~ Evaluate possible establishment of industrial development districts and utilities; prepare proposals as warranted.
- ~~8.~~ Report regularly to the Commission on delegated responsibilities, industry trends, and economic developments.

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~~h.9.~~ Report to the Commission any legal claim valued at \$300,000 or greater and provide a quarterly activity report of legal matters.

D. Managing the Port of Seattle in keeping with the above, the CEO shall:

- ~~a.1.~~ Represent the Port to customers and industry stakeholders.
- ~~b.2.~~ Carry out all long-range plans, major programs, and **implement** projects.
- Execute contracts and other necessary documents.
- ~~c.3.~~
- ~~d.4.~~ Select and manage all staff and outside resources necessary to carry out long-range plans, major programs and projects, maintain facilities, and provide supporting functions.
- ~~e.5.~~ Determine the organizational structure of enterprises and their supporting functions.
- ~~f.6.~~ Administer collective bargaining agreements.
- ~~g.7.~~ Administer inter-local agreements, and execute where authorized.
- ~~h.8.~~ Establish operational, administrative, monetary, and contractual policies, delegations, rules, regulations and procedures in accordance with this Delegation, adopted Policy Directives and all applicable law and regulation.
- ~~i.9.~~ Establish and regularly report to the Commission on continuous process improvement programs, including metrics that shape and measure progress on strategies, objectives, long-range plans, and major programs.
- ~~j.10.~~ Approve travel by employees and other authorized representatives.
- ~~k.11.~~ Apply for and accept grants and other funds from federal, state or local governments.
- ~~l.12.~~ Apply for permits associated with facilities and projects.
- ~~13.~~ Carry out additional responsibilities as may be further delegated.
- ~~14.~~ Sell and convey Port personal property in accordance with the limits set by Section 53.08.090 of the RCW.
- ~~15.~~ Manage and supervise all legal services, litigation, engagement of outside legal counsel and

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Comment [PoSU2]: Per comment by legal.

Comment [PoSU3]: Still under legal review

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other experts, settlements and claims filed for and against the Port, in keeping with administrative policies.

Comment [PoSU4]: Signed off by legal

~~m.~~ Provide resources for the preparation for and management of Port debt and executes any other debt related responsibilities specifically authorized by the Commission.

Comment [PoSU5]: Signed off by finance