



P.O. Box 1209
Seattle, Washington 98111
www.portseattle.org
206.787.3000

APPROVED MINUTES COMMISSION REGULAR MEETING JANUARY 12, 2016

The Port of Seattle Commission met in a regular meeting Tuesday, January 12, 2016, at Port of Seattle Headquarters, Commission Chambers, 2711 Alaskan Way, Seattle, Washington. Commissioners Albro, Bowman, Creighton, Felleman, and Gregoire were present. Commissioner Gregoire was absent after 5:54 p.m.

1. CALL TO ORDER

The meeting was called to order at 12:10 p.m. by Commissioner Stephanie Bowman.

2. EXECUTIVE SESSION pursuant to RCW 42.30.110

The public meeting was immediately recessed to an executive session estimated to last 30 minutes to discuss two matters relating to ethics allegations, one matter relating to performance on a publicly bid contract, and two matters relating to litigation and legal risk. Following the executive session, which lasted approximately 65 minutes, the public meeting reconvened at 1:25 p.m. Commissioner Bowman led the flag salute.

3. SPECIAL ORDERS OF BUSINESS

3a. Oath of office for newly elected Commissioners and remarks.

The oath of office for Commissioner Felleman was administered publicly by former King County Councilmember Larry Phillips. The oath of office for Commissioner Gregoire was administered publicly by her husband, Scott Lindsay. Commissioners Felleman and Gregoire made brief remarks.

A recording of this part of the meeting has been made available online.

3b. Election of officers for 2016.

The following slate of officers for 2016 was moved:

- President – John Creighton
- Vice President – Tom Albro
- Secretary – Stephanie Bowman
- Assistant Secretary – Courtney Gregoire
- Commissioner at Large – Fred Felleman

The motion carried by the following vote:

In favor: Albro, Bowman, Creighton, Felleman, Gregoire (5)

A recording of this part of the meeting has been made available online.

RECESSED AND RECONVENED

The meeting was recessed at 1:37 p.m. and reconvened at 2:04 p.m., chaired by Commission President Creighton.

3c. Officer remarks.

Commissioners Bowman, Gregoire, and Creighton offered brief remarks looking back at Commission accomplishments in 2015 and looking forward to the Commission's expected work in 2016.

A recording of this part of the meeting has been made available online.

3d. Announcements.

Commissioner Creighton announced that all Commissioners had signed an annual transparency code of conduct for 2016, a copy of which is attached as minutes [Exhibit A](#) and is available for public review. Members of the Commission's Audit Committee in 2016 will include Commissioners Albro (Chair) and Creighton and subject-matter expert Christina Gehrke. More information regarding Commissioner participation on outside boards and commissions is expected in a few weeks.

A recording of this part of the meeting has been made available online.

3e. January 12, 2016, CEO Report.

Ted Fick, Chief Executive Officer, reported on federal legislation providing funding for port customer rebates and the status of Port revenue and expenses. He noted that overall operating revenue is above budget by about \$8.2 million and that operating expenses are \$23.3 million below budget portwide. He announced that the Center Runway opened to air traffic on December 18, 2015, and recognized the efforts of key staff who worked on the project.

A recording of this part of the meeting has been made available online.

4. 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.]

4a. Approval of the minutes of the special joint meetings of May 8, May 26, and June 5, 2015.

- 4b. Authorization for the Chief Executive Officer to execute a contract with an insurance brokerage firm for the purpose of procuring liability insurance for the Port over a three-year period with two one-year extension options. The procurement of liability broker insurance services for the three years plus the two one year renewal options is estimated at \$385,000. The selection of the brokerage firm will utilize a competitive process.**

Request document(s) included a Commission agenda [memorandum](#).

- 4c. Authorization for the Chief Executive Officer to execute a new collective bargaining agreement between the Port of Seattle and the International Union of Operating Engineers, Local 286, covering the period from June 1, 2014, through May 31, 2018, and affecting 102 Operating Engineer positions.**

Request document(s) included a Commission agenda [memorandum](#).

- 4d. Authorization for the Chief Executive Officer to reimburse Mad Anthony's Inc. at Pier 66 for actual costs associated with the 2013 replacement and installation of the restaurant's hot water and heating systems, not to exceed \$797,990 and to accept their early exercise of the second and final 15-year option to extend.**

Request document(s) included a Commission agenda [memorandum](#), [summary](#) of hot water and heating costs, and claim and [letter](#) of commitment.

- 4e. Authorization for the Chief Executive Officer to (1) proceed with the Remote Data Center Business/operations continuity project; (2) authorize the procurement of required hardware, software, and vendor services; (3) authorize the use of Port staff for implementation; and (4) authorize the procurement of hardware and software maintenance, for a total project cost not to exceed \$1,200,000 and on-going maintenance costs estimated at \$250,000 over five years.**

Request document(s) included a Commission agenda [memorandum](#).

- 4f. Authorization for the Chief Executive Officer to execute an interlocal agreement between the Port of Seattle Fire Department and Kent Fire Department Regional Fire Authority to provide preventive maintenance and repair of Port Fire Department apparatus for one year with nine additional one-year options for an estimated value of \$3 million (approximately \$300,000 per year).**

Request document(s) included a Commission agenda [memorandum](#).

The motion for approval of consent items 4a, 4b, 4c, 4d, 4e, and 4f carried by the following vote:

In favor: Albro, Bowman, Creighton, Felleman Gregoire (5)

A recording of this part of the meeting has been made available online.

5. PUBLIC TESTIMONY

Public comment was received from the following individual(s):

- Jim Kelly, United For Hire, in opposition to a request for proposals for provision of on-demand transportation services at the Airport (agenda item 6b) and in support of a managed open model for ground transportation at Sea-Tac.
- Mohamed Sufi, driver, Eastside For Hire, regarding rate increases and the need for a fair ground transportation system.
- Amin Shifow, General Manager, Puget Sound Dispatch, regarding the settlement agreement in agenda item 6a and in opposition to collocation of metered and flat-rate vehicles at the Airport.
- Samatar Guled, Eastside For Hire, regarding the settlement agreement (agenda item 6a) and the need for customer choice in ground transportation options.
- Surinder Minas, Yellow Cab, in opposition to collocation of metered and flat-rate vehicles at the Airport.
- Mohamed Salah, Washington Wheelchair Accessible Taxi Association, regarding the need for accessible ground transportation services at the Airport.
- Haybe Jamaar, Eastside For Hire, regarding Yellow Cab and customer service.
- Chester Baldwin, lobbyist, SeaTac Taxi Association, regarding endorsement of taxi cabs for on-demand services. Mr. Baldwin submitted written materials, which are included here as minutes [Exhibit B](#) and are available for public review.
- Amhar Khan, wheelchair-accessible taxi driver, regarding a reputation of discriminatory behavior by for-hire drivers.
- Peter Gishuru, Northwest African Chamber of Commerce, regarding business opportunities for African immigrants. Mr. Gishuru submitted written materials, which are included here as minutes [Exhibit C](#) and are available for public review.
- Wally Balcha, All Day For Hire, regarding opening up ground transportation options at the Airport for everyone.
- Gurcharan S. Dhaliwal, President, Far East Taxi, in support of separate requests for proposal for metered and flat-rate services.
- Dane Rawlings, business representative, International Union of Operating Engineers Local 286, regarding the union's collective bargaining agreement with the Port and paid parental leave.
- Abdul Yusuf, For Hire, regarding access to the Airport for for-hire drivers and the Port's settlement agreement with Puget Sound Dispatch.
- Sheila Stickel, Puget Sound Dispatch, regarding the Port's audit and settlement agreement with Puget Sound Dispatch.
- Chris Van Dyk, General Manager, Quality Ground, regarding his previous involvement with Puget Sound Dispatch as well as the proposed settlement agreement. Mr. Van Dyk submitted written materials, which are included here as minutes [Exhibit D](#) and are available for public review.
- Joe Blondo, General Manager, Yellow Cab, regarding emergence of transportation network companies, the City of Seattle's approach to them, and the need for fairness.
- Gurminder Khahlon, Yellow Cab driver, regarding support for use of meters and in opposition to collocating metered and flat-rate services at the Airport.

- Brooke Steger, General Manager, Uber Technologies, regarding transportation network companies and strategies for reducing carbon emissions. Ms. Steger submitted written materials, which are included here as minutes [Exhibit E](#) and are available for public review
- Abdirahman Elmi, Seattle resident, regarding safety and insurance requirements for metered cabs and the future ground transportation system at the Airport.
- Dawit Tesafaye, Wheelchair Accessible Taxi Association, regarding the request for proposal for on-demand services and the need for accessible services at the Airport.
- Cindi Laws, Lobbyist/Director, Wheelchair Accessible Taxi Association, regarding accessibility generally at the Airport and the need for better access.
- Efreem Mehari, owner, Yellow Cab, regarding differences between metered and flat-rate ground transportation and customer confusion.
- Paul Berendt, STITA, regarding the settlement agreement with Puget Sound Dispatch and contrasting STITA's business practices with those of Puget Sound Dispatch.
- Paul Dhami, owner, STITA, regarding the difficulty in managing both metered and flat-rate services in the Airport's ground transportation system.
- Kirk Safford, Lyft, regarding customer satisfaction, relationships with Lyft at other airports, and alternatives to reduce carbon emissions.
- Alpha Diallo, owner, Yellow Cab, in support of additional metered cabs providing services to the Airport.
- Shahid Khan, Wheelchair Accessible Taxi Association, regarding the unique costs to operate wheelchair accessible cabs.
- Dawn Gearhart, Teamsters Local 117, regarding the need for dignity for the drivers represented by the Teamsters and abuses associated with drivers working for other companies.
- Omar Alam, driver, Eastside For Hire, in support of separate requests for proposal for metered and flat-rate services at the Airport.

A recording of this part of the meeting has been made available online.

6. DIVISION, CORPORATE, AND COMMISSION ACTION ITEMS

6a. Authorization for the Chief Executive Officer to execute a Settlement Agreement and First Amendment to Concession Agreement, both with Puget Sound Dispatch LLC related to its operation of outbound, on-demand taxi operations at Seattle-Tacoma International Airport.

Request document(s) included a Commission agenda [memorandum](#), a [concession agreement amendment](#), and a [settlement agreement](#).

Presenter(s): Michael Ehl, Director, Airport Operations, and Paul Binting, Senior Port Counsel.

The circumstances surrounding the settlement agreement and the methodology for determining the settlement amount were presented. Commissioners requested clarification and information about future steps to prevent under-reporting of revenue. There was a discussion of whether there is cause to assert default on the part of Puget Sound Dispatch. Commissioners discussed at length the revenue calculations upon which the settlement agreement was derived and whether the services of a forensic accounting firm were needed to establish the correct settlement amount.

Discussion included issues associated with methodologies for counting on-demand trips and implications for future ground transportation models.

Without objection, the question was divided in two: (1) acceptance of the settlement agreement and (2) amendment of the concession agreement.

Question 1

The motion to accept the settlement agreement, as amended to include cost of capital recovery or five percent interest, whichever is greater, carried by the following vote:

In favor: Albro, Bowman, Creighton, Felleman, Gregoire (5)

Question 2

The motion to amend the concession agreement, as amended to remove Section 2, Revisions of Revenue to the Port, entirely and replace it with language that would stipulate the kind of data to be provided from which to calculate the revenue owed under the existing agreement, carried by the following vote:

In favor: Albro, Bowman, Creighton, Felleman, Gregoire (5)

A recording of this part of the meeting has been made available online.

6b. Authorization for the Chief Executive Officer to execute a contract for on-demand metered and flat-rate for-hire transportation services at Seattle-Tacoma International Airport.

Request document(s) included a Commission agenda [memorandum](#) and presentation [slides](#).

Presenter(s): Michael Ehl, Director, Airport Operations, and Jeff Hoevet, Senior Manager Airport Operations, Landside.

A three-tiered framework for addressing management of ground transportation services at the Airport was presented. The approach proposed would include a request for proposals (RFP) for a combined contract to manage on-demand metered and flat-rate services, implementation of month-to-month operating agreements with transportation network companies, and a subsequent request for proposals for an on-demand limousine contract. Key terms were discussed. Commissioners stressed the need for the RFP to provide an opportunity for creative solutions to emissions reduction and emphasize measurable objectives. Clarifications requested included information on the effect on the proposal of King County's on-demand regulatory structure and the methodology for monitoring insurance compliance. Achievement of green fleet goals by requiring all vehicles to use alternate fuel or achieve a mile-per-gallon standard versus the use of fleetwide equivalencies was discussed. Commissioners expressed interest in protecting the livelihoods of individual cab drivers while pursuing environmental goals. The role of increased public transit to alleviate traffic congestion and reduce emissions was highlighted.

The motion for approval of agenda item 6b carried by the following vote:

In favor: Albro, Bowman, Creighton, Felleman, Gregoire (5)

A recording of this part of the meeting has been made available online.

RECESSED AND RECONVENED

The meeting was recessed at 5:30 p.m. and reconvened at 5:41 p.m., chaired by Commissioner Creighton.

6c. Authorization for the Chief Executive Officer to (1) proceed with the Vessel Moorage System project; (2) authorize the procurement of required hardware, software, and vendor services; (3) authorize the use of Port staff for implementation; and (4) authorize the procurement of vendors services for maintenance, for a total project cost not to exceed \$550,000 and maintenance costs estimated at \$200,000 over five years.

Request document(s) included a Commission agenda [memorandum](#).

Presenter(s): Lindsay Pulsifer, Managing Director, Maritime Division, and Peter Garlock, Chief Information Officer.

Commission direction included the need for realistic estimates when budgeting contingency funding and the need to manage scope creep over the life of the project. It was reported that the system would not include assets managed by the Northwest Seaport Alliance.

The motion for approval of agenda item 6c carried by the following vote:

In favor: Albro, Bowman, Creighton, Felleman, Gregoire (5)

A recording of this part of the meeting has been made available online.

Commissioner Gregoire was absent after 5:54 p.m.

6d. Authorization for the Chief Executive Officer to advertise, award, and execute a major public works contract for the C60 Interim Baggage Handling System Project at Seattle-Tacoma International Airport in the amount of \$9,823,000 (CIP #C800825).

Request document(s) included a Commission agenda [memorandum](#) and presentation [slides](#).

Presenter(s): David Soike, Director, Aviation Facilities and Capital Program, and Stuart Mathews, General Manager, Aviation Maintenance.

The motion for approval of agenda item 6d carried by the following vote:

In favor: Albro, Bowman, Creighton, Felleman (4)

Absent for the vote: Gregoire

A recording of this part of the meeting has been made available online.

- 6e. Authorization for the Chief Executive Officer to advertise for construction bids, execute a public work construction contract, and fund the construction phase for the Terminal 102 Harbor Marina Corporate Center Roof and Heating, Ventilation, and Air Conditioning Units Replacement Project for an estimated cost of \$5,728,000, bringing the current authorization for this project to \$6,200,000 for a total estimated project cost of \$6,200,000 (CIP #C800196).

Request document(s) included a Commission agenda [memorandum](#), [building map](#), and [HVAC diagram](#).

Presenter(s): Dave McFadden, Managing Director, Economic Development, and Tim Leonard, Capital Project Manager, Seaport Project Management.

The motion for approval of agenda item 6e carried by the following vote:

In favor: Albro, Bowman, Creighton, Felleman (4)

Absent for the vote: Gregoire

A recording of this part of the meeting has been made available online.

7. STAFF BRIEFINGS

Without objection, agenda items 7a and 7b were laid on the table for future consideration.

8. ADDITIONAL NEW BUSINESS

CEO Fick previewed a coming action request related to narrow-body airline gates at the South Satellite. He also noted a coming presentation by the Office of Strategic Initiatives related to long-range planning and continuous process improvement efforts.

A recording of this part of the meeting has been made available online.

9. ADJOURNMENT

There was no further business, and the meeting adjourned at 6:10 p.m.

Stephanie Bowman
Secretary

Minutes approved: February 23, 2016.