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**APPROVED MINUTES
COMMISSION REGULAR MEETING MAY 24, 2016**

The Port of Seattle Commission met in a regular meeting Tuesday, May 24, 2016, in the International Auditorium at Seattle-Tacoma International Airport, Seattle, Washington. Commissioners Albro, Creighton, Felleman, and Gregoire were present. Commissioner Bowman was absent. Commissioner Creighton was present until 4:07 p.m.

1. CALL TO ORDER

The meeting was called to order at 1:05 p.m. by Commission President John Creighton, who led the flag salute.

2. EXECUTIVE SESSION pursuant to RCW 42.30.110 – None.

3. SPECIAL ORDERS OF BUSINESS

3a. May 24, 2016, CEO Report.

Ted Fick, Chief Executive Officer, previewed the day's agenda and commented on new air cargo service and the receipt by the Port of Seattle of the Government Finance Officers Association Distinguished Budget Presentation Award for the Port's 2016 budget.

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

Without objection, the following agenda item –

3b. Proclamation regarding Holland America Lines.

– was laid on the table.

Without objection, the Commission advanced to consideration of –

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 meeting of April 27, 2016.

4b. Approval of the Claims and Obligations for the period April 1-April 30, 2016, in the amount of \$39,470,912.97 including accounts payable check nos. 910612-911084 in the

amount of \$4,015,879.32, payroll check nos. P-182766-182950 in the amount of \$8,169,167.03, wire transfer nos. 014055-014109 in the amount of \$15,639,130.63, and EFTs nos. 041470-041959 in the amount of \$11,646,735.99 for a fund total of \$39,470,912.97.

- 4c. Authorization for the Chief Executive Officer to complete design and permitting, prepare construction documents, advertise, award, and execute a construction contract to modernize elevators 2, 3, and 4 at Pier 66. This request also includes funding for a portion of the work that will be completed by Port crews. The total amount of this request is \$1,445,000 for an estimated project cost of \$1,545,000. (CIP #C800813)

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

- 4d. Authorization for the Chief Executive Officer to advertise and execute a major works unit price construction contract not to exceed \$4,000,000 to provide on-call regulated materials abatement for tenant lease spaces in the Main Terminal at Seattle-Tacoma International Airport. This contract will be for 1 year with a 1-year option. No funding is associated with this request.

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

- 4e. Authorization for the Chief Executive Officer to advertise and execute contracts for the first phase of construction of the Wi-Fi Enhancement Project (CIP #C800585) at Seattle-Tacoma International Airport for an estimated cost of \$7,239,000 and to increase the project's overall budget to \$10,676,000 for additional scope.

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

- 4f. Request ratification of the Air Cargo 4 HVAC Upgrade, Work Project (WP) 105074, as an authorized project with a budget total of \$310,000. (CIP #C800017)

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

- 4g. Motion of the Port of Seattle Commission Re-Appointing Gerry Alexander as a Member of the Commission Ethics Board for 2016-2019.

Request document(s) included the text of the proposed motion. A copy of the [adopted motion](#) is attached for reference.

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

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

Absent for the vote: Bowman

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) expressing concerns over the Transportation Security Administration's Security Partnership Program:

- Cheryl Kelso, Legislative Political Organizer, American Federation of Government Employees
- Tim Debolt, National Representative, American Federation of Government Employees
- Don Andrews, Executive Vice President 1121, American Federation of Government Employees
- Cairo D'Almeida, Chief Steward, Seattle-Tacoma International Airport, American Federation of Government Employees
- Cindy Feist, National Organizer, American Federation of Government Employees
- Wendell Bricker, Transportation Security Officer, Transportation Security Administration

Additional public comment was received from the following individual(s):

- Robbie Howell, Burién, regarding difficulty communicating with the Port Commission. Ms. Howell submitted a letter from C. Edgar, which is included here as minutes [Exhibit A](#) and is available for public review.
[Clerk's Note: In Ms. Edgar's letter, there is a reference to a request for public information, which is included here, with a response from Port staff, as minutes [Exhibit B](#), which is available for public review.]
- Patience Malaba, Organizer, Service Employees International Union Local 6, regarding a dispute between the Port and Huntleigh USA security services over rental car facility bus services.
- Stefan Moritz, Unite Here Local 8, regarding Airport Dining and Retail lease group three and compliance with the minimum wage ordinance in the City of SeaTac.
- Kevin Humphrey, Office Manager, Hertz Corporation, Seattle, regarding the requirements for rental car companies and emergence of car-share services. Mr. Humphrey submitted written materials, which are included here as minutes [Exhibit C](#) and are available for public review.
- Aaron Millstein, Attorney for Hertz Corporation, regarding rental car companies and car share services.
- Chris VanDyk, Bainbridge Island, regarding the request for proposals for on-demand and for-hire ground transportation services at the Airport.

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

3c. Airport Security Screening Partnership Program.

The following individuals were present to participate in the policy roundtable discussion:

- Cindi Martin, C.M., Airport Director, Kallispell, Montana
- Christopher R. Bidwell, Vice President, Security Airport Council International – North America
- Jeff Markey, Managing Director, McBee Strategic
- Jeff Holmgren, Washington State Federal Security Director, Transportation Security Administration

- Paul Baird, Corporate Director, Seattle-Tacoma International Airport – Airport Customer Service, Delta Air Lines
- Wayne Newton, Managing Director – Seattle Station Operations, Alaska Airlines

Presenter(s): Lance Lyttle, Managing Director, Aviation, and Wendy Reiter, Director, Aviation Security and Emergency Preparedness.

Presentation document(s) included a Commission agenda [memorandum](#), [presentation slides](#), Congressional subcommittee [statement](#) of Mark VanLoh, Director of Aviation, City of Kansas City, Missouri, and [U.S. Government Accountability Congressional Report](#).

Commissioners and panelists discussed challenges at U.S. security checkpoints, associated wait time increases, and options for alleviating passenger congestion through security checkpoints. Controls for third-party security screening were described and TSA resource allocation and allocation of security officers were discussed. Commissioners commented on use of technology, deployment of dogs, and management of security officer deployment to respond to system demands.

Clarification of the TSA's allocation model was requested. Commissioners proposed that a comparative analysis of the direct and third-party screening models be conducted in association with the Airports Council International, of which the Port is a member.

Without objection, the Commission entertained the following additional public testimony –

5. PUBLIC TESTIMONY

- Cairo D'Almeida, Chief Steward, Seattle-Tacoma International Airport, American Federation of Government Employees, regarding divesting tables near the north checkpoint and the layout of the checkpoint.

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

Following consideration of agenda item 3c, the Commission returned to consideration of –

6. DIVISION, CORPORATE, AND COMMISSION ACTION ITEMS

- 6a. Second Reading and Final Passage of Resolution No. 3720: A resolution of the Port Commission of the Port of Seattle amending Resolution No. 3712 as amended, the 2016 Salary and Benefits Resolution, to modify the Pay for Performance program to add a lump sum incentive pay plan component to the existing base pay increase component.**

Request document(s) included a Commission agenda [memorandum](#) and draft resolution. A copy of the amended and [adopted resolution](#) is attached for reference.

Presenter(s): Paula Edelstein, Senior Director, Human Resources; Mian Rice, Small Business Program Policy Manager; Dave Caplan, Senior Director, Strategic Initiatives; and Elizabeth Leavitt, Director, Aviation Planning and Environmental Services.

Previously, First Reading of Resolution No. 3720 was approved on May 17, 2016.

Ms. Edelstein responded to several questions that arose on May 17 regarding a timeline for setting incentive plan goals for 2016 and 2017 and outreach to employees about the goals and their goal participation.

Mr. Rice described the separate incentive plan goals associated with small and women/minority-owned businesses. Current progress toward incentive goals for women and minority business participation was reported at 4.4 percent as of the first quarter of 2016. It was noted that the rate of Port spending increases after the first quarter, skewing the year-end participation percentages.

Mr. Caplan reported on goals for customer satisfaction and public engagement. Ms. Leavitt addressed environmental incentive goals. They noted several existing gaps in collection and analysis of baseline data.

Commissioner Albro commented on a guided distribution of performance ratings and a shift away from overbudgeting based on previous years' budgets toward thoughtful and effective measurement and improvement of outcomes.

AMENDMENT

Commissioner Albro offered an amendment to insert a new paragraph (b) in Section II(c)(iii)(1) of the resolution and to conform related language in paragraph (c) and in Section II(c)(iii)(3)(a), which was adopted without objection.

The amended paragraphs now read as follows:

Section II(c)(iii)(1)(b):

Develop and ensure Port-wide implementation of a small and WMBE business participation scorecard that measures the Port's small and WMBE business participation and that will serve to guide and monitor efforts in all Port operating divisions and non-operating departments.

Section II(c)(iii)(1)(c):

By November 1, 2016, assess all Port efforts geared to promoting small and WMBE business participation and provide a scorecard to the Commission rating the effectiveness of each and providing specific recommendations for improvements for Commission consideration.

Section II(c)(iii)(3)(a):

Develop and ensure Port-wide implementation of an environmental scorecard that measures the Port's environmental footprint and that will serve to guide and monitor reduction efforts in all Port operating divisions and non-operating departments.

The motion for approval of Second Reading and Final Passage of Resolution No. 3720, as amended, carried by the following vote:

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

Absent for the vote: Bowman

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

- 6b. First Reading of Resolution No. 3721: A Resolution of the Port Commission of the Port of Seattle authorizing the issuance and sale of revenue refunding bonds in one or more series in the aggregate principal amount of not to exceed \$185,000,000, for the purpose of refunding certain outstanding revenue bonds of the Port; setting forth certain bond terms and covenants; delegating authority to approve final terms and conditions and the sale of the bonds; and authorizing remediation of a portion of the bonds being refunded.**

Request document(s) included a Commission agenda [memorandum](#) and draft resolution. Final resolutions are available for review upon adoption. Elizabeth Morrison, Director, Corporate Finance, Finance & Budget, provided a single presentation for agenda items 6b and 6c.

The motion for approval of First Reading of Resolution No. 3721 carried by the following vote:

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

Absent for the vote: Bowman

- 6c. First Reading of Resolution No. 3722: A Resolution of the Port Commission of the Port of Seattle authorizing the issuance and sale of intermediate lien revenue refunding bonds in one or more series the aggregate principal amount of not to exceed \$130,000,000, for the purpose of refunding certain outstanding revenue bonds of the Port; setting forth certain bond terms and covenants; and delegating authority to approve final terms and conditions and the sale of the bonds.**

Request document(s) included a Commission agenda [memorandum](#) and draft resolution. Final resolutions are available for review upon adoption.

Agenda item 6c was presented simultaneously with item 6b, above.

The motion for approval of First Reading of Resolution No. 3722 carried by the following vote:

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

Absent for the vote: Bowman

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

- 6d. Authorization for the Chief Executive Officer to (1) increase the North Satellite Renovation & North Satellite Transit Station Lobbies (NSAT) project scope and budget (capital and expense) by \$121,219,098 for a revised total budget of \$542,902,042; (2) increase authorization by \$11,000,000 – \$5,000,000 for continued NorthSTAR Program/Project Management services (CIP #C800544) for a new total of \$9,350,000 and**

\$6,000,000 for NSAT design and overall project support (CIP #C800556) for a new total of \$163,718,000; (3) amend service agreements with Jacobs Project Management Company and AECOM; and (4) authorize the use of port crews and small works contractors to perform work for the project.

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

Presenter(s): George England, Program Leader, Aviation Project Management Group, and Matthew Shelby, Managing Director of Seattle Real Estate, Alaska Airlines.

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

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

Absent for the vote: Bowman

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

7. STAFF BRIEFINGS

7a. Airport Dining and Retail Lease Group #3 Future Authorization.

Presentation document(s) included a Commission agenda [memorandum](#), presentation [slides](#), Quality Jobs [memo](#) from the CEO, [Exhibit A](#) (Food Service Large Package 1), [Exhibit B](#) (Food Service Large Package 3), [Exhibit C](#) (Food Service Single Unit 1), [Exhibit D](#) (Food Service Small Package 4), [Exhibit E](#) (Food Service Single Unit 5), [Exhibit F](#) (Food Service Small Package 7), [Exhibit G](#) (Food Service Single Unit 9), [Exhibit H](#) (Food Service Single Unit 11), [Exhibit I](#) (Food Service Single Unit 12), [Exhibit J](#) (Food Service Single Unit 15), [Exhibit K](#) (Food Service Single Unit 16), and [Exhibit L](#) (Retail Large Package 1).

Also submitted was a letter from Nicole Grant, Executive Secretary/Treasurer, Martin Luther King County Labor Council, regarding the lease group. The letter is attached as minutes [Exhibit D](#) and is available for public review.

Presenter(s): Jim Schone, Director, Aviation Business Development.

The Commission received a presentation on Lease Group 3 that included a recapitulation of Commission direction for the Airport Dining and Retail program and summary of the performance metrics applicable to the ADR master plan. Commissioners inquired about compliance by concessionaires with new minimum wage requirements of the City of SeaTac. It was reported that every firm that had requested to increase their pricing above "street" pricing had committed to minimum wage compliance in writing. Commissioners commented on the issue of payment of retroactive pay under the City of SeaTac ordinance. Commissioners asked for clarification about allocation of points in the evaluation criteria, stressing their intent that bare minimum compliance not be equated with award of maximum point values. The unit packages available in Lease Group 3 were summarized and an overview of the competitive evaluation process versus the request for proposal process was provided. Next steps were noted and it was reported that the bid results for Lease Group 2 are expected to be known by mid-June.

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

Commissioner Creighton was present until 4:07 p.m.

RECESSED AND RECONVENED

The meeting was recessed at 4:33 p.m. and reconvened at 4:38 p.m., chaired by Commissioner Albro.

7b. Air Cargo Briefing.

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

Presenter(s): Tom Green, Senior Manager, Air Cargo Operations and Development.

Commissioners received a briefing on the economic impacts and current market trends affecting air cargo at Seattle-Tacoma International Airport. Exports and imports were categorized and strategies for Century Agenda growth were discussed, including airfield and facilities constraints.

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

7c. 2016 First Quarter Capital Improvement Projects Report.

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

Presenter(s): Ralph Graves, Senior Director, Capital Development.

Mr. Graves presented an update on the status of capital improvement projects for the first quarter of 2016, noting significant variances to budget and schedule and summarizing small business and minority and women-owned business participation rates. Commissioner Felleman requested more information about the delay of the Shilshole Bay Marina tenant services building project.

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

7d. 2016 Quarter 1 Financial Performance.

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

Presenter(s): Michael Tong, Assistant Finance Director, Finance & Budget.

Mr. Tong presented key indicators for the Port's financial performance in the first quarter of 2016, responding to Commission inquiries and noting a handful of revenue and expense variances.

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

Without objection, the following agenda item –

7e. Century Agenda Quarterly Report.

– was laid on the table.

8. ADDITIONAL NEW BUSINESS – None.

9. ADJOURNMENT

There was no further business, and the meeting adjourned at 5:09 p.m.

Stephanie Bowman
Secretary

Minutes approved: July 12, 2016.