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**APPROVED MINUTES
COMMISSION REGULAR MEETING SEPTEMBER 13, 2016**

The Port of Seattle Commission met in a regular meeting Tuesday, September 13, 2016, at Port of Seattle Headquarters, Commission Chambers, 2711 Alaskan Way, Seattle, Washington. Commissioners Bowman, Creighton, Felleman, and Gregoire were present. Commissioner Albro participated by telephone until 1:57 p.m., after which he was excused to attend to other Port business.

1. CALL TO ORDER

The meeting was called to order at 12:02 p.m. by Commission President John Creighton.

2. EXECUTIVE SESSION pursuant to RCW 42.30.110

The public meeting was immediately recessed to an executive session estimated to last 60 minutes to discuss two matters relating to litigation and legal risk and one matter relating to performance on a publicly bid contract. Following the executive session, which lasted approximately 25 minutes, the public meeting reconvened at 1:04 p.m. Commissioner Creighton led the flag salute.

3. SPECIAL ORDERS OF BUSINESS

3a. September 13, 2016, CEO Report.

Ted Fick, Chief Executive Officer, reported that the Aviation and Maritime divisions had excellent safety records in the month of August, and gave a preview of several of the day's agenda items.

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

3b. Authorization for the Chief Executive Officer to become a Board Member of the National Truck Protection Co. Inc.

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

Presenter(s): Ted Fick, Chief Executive Officer.

CEO Fick presented his request to join the board of National Truck Protection Co. Inc., providing assurance that there will be no conflict of interest with his work for the Port.

Commissioner Felleman opined that the request was within the parameters of the CEO contract and noted that Mr. Fick's background in trucks and the board opportunity had potential to benefit the Port. Commissioner Albro added that the type of creative thinking commonly found in the private sector, where Mr. Fick had previously served on for-profit boards, is an asset to the Port in

achievement of the Century Agenda. Commissioner Creighton stated his support for the request, expressing appreciation for Mr. Fick's contributions thus far.

Commissioner Gregoire stated her opinion that the board membership would create a conflict of interest, and said that she sees the terms of Mr. Fick's contract as a matter of Commission discretion. Commissioner Bowman also expressed reservations, stating that she did not think it appropriate for the head of a public agency to serve on the board of a private, for-profit company.

The motion for approval of agenda item 3b carried by the following vote:

In favor: Albro, Creighton, Felleman (3)

Opposed: Bowman, Gregoire (2)

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.]

At the request of Commissioner Bowman, agenda item 4c was removed from the Unanimous Consent Calendar for separate discussion and vote.

4a. Approval of the minutes of June 28, 2016.

4b. Authorization for the Chief Executive Officer to (1) advertise and award a major works construction contract for Phase 2A (Concourse A) of the Electric Ground Support Equipment Charging Stations project (the anticipated cost of \$4.6 million is within the amount already authorized by the Commission) and (2) utilize Port crews to perform construction work (CIP #C800335).

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

As noted above, agenda item 4c was temporarily postponed.

4d. Authorization for the Chief Executive Officer to complete design documents for the Terminal 91 Building C-173 Roof Overlay Project for an estimated cost of \$185,000, bringing the current authorization to \$250,000 for an estimated project cost of \$1,561,000 (CIP #C800829).

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

4e. Authorization for the Chief Executive Officer to (1) enter into a new agreement with Tideworks Technology Inc. to lease Suite 207 at Harbor Marina Corporate Center consisting of approximately 11,510 rentable square feet (RSF) for an initial term of seven years with one five-year option to renew and (2) approve a Port-funded tenant

improvement allowance in the amount of \$460,400 (\$40.00 per RSF) and payment of a broker fee in the amount of \$110,136. This request is for the total cost of \$570,536.

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

- 4f. **Authorization for the Chief Executive Officer to execute a reimbursement agreement between the Federal Aviation Administration and the Port of Seattle. Reimbursement to the FAA under this agreement is estimated at \$396,248 (CIP #C800583).**

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

- 4g. **Authorization for (1) the Chief Executive Officer to design and prepare construction documents, advertise, and execute a construction contract to construct fuel system modifications in support of gate operations at Seattle-Tacoma International Airport in an amount not to exceed \$9,800,000; (2) use of Port crews in support of the project and for removal of regulated materials; (3) increase of the project scope for additional fuel system modifications; (4) execution of a contract for long-lead items such as fuel pits and surge suppressors; and (5) approval to use a project labor agreement for the project (CIP #C800692).**

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

- 4h. **Ratification of Port of Seattle actions related to purchasing equipment and building out space for future security needs at Seattle-Tacoma International Airport in an amount of \$550,000 (CIP #C800880).**

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

- 4i. **Authorization for the Chief Executive Officer to (1) award and execute a major public works construction contract with the low responsive and responsible bidder for the Central Terminal Stairs Project, notwithstanding the low bid exceeding the engineers estimate by more than 10 percent and (2) increase the project budget by \$350,000 (\$276,000 for capital and \$74,000 for expense). The new authorized total project cost will be \$2,910,000 (CIP #C800716).**

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

- 4j. **Authorization for the Chief Executive Officer to execute an early termination agreement, substantially as drafted and attached, in the amount of \$1,850,000 with FireFly Rent A Car LLC dba FireFly at Seattle-Tacoma International Airport.**

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

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

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

See also agenda item 4c below.

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):

- Belai Belete, owner/driver, United for Hire, regarding the Airport taxi contract.
- Abdirahman Esmayeel, owner, Orange Cab, regarding the Airport taxi contract.
- Elias Shifow, driver, Yellow Cab, regarding the evaluation and scoring procedures for the Airport taxi contract request for proposals.
- Fanus Goneth, owner/driver, United for Hire, regarding the Airport taxi contract.
- Tadesse Belay, owner/driver, Yellow Cab, regarding environmental standards for Airport taxis.
- Dawn Gearhart, Teamsters Local 117, regarding the request for proposals process for the Airport taxi contract.
- Amar Kahn, Wheelchair Accessible Taxi Association, regarding the Airport taxi contract.
- Cindi Laws, Wheelchair Accessible Taxi Association, regarding the Airport taxi contract.
- Dawit Tesfaye, taxi driver, regarding the Airport taxi contract.
- Salah Mohamed, taxi driver, regarding the responses to addendum 5 of the Airport taxi contract.
- Abdirahman Elmi, taxi driver, regarding the request for proposals process for the Airport taxi contract.

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

Commissioner Albro was excused after 1:57 p.m. in order to attend to other Port business.

The Commission advanced to consideration of –

ITEMS REMOVED FROM CONSENT

4c. Authorization for the Chief Executive Officer to execute a new collective bargaining agreement between the Port of Seattle and the International Association of Machinists and Aerospace Workers, Local 289, covering the period from January 1, 2016, through December 31, 2018, and affecting 11 Aviation Maintenance Inventory Specialists.

Request document(s) included a Commission agenda [memorandum](#), [agreement](#), and [leave policy](#).

Presenter(s): Kim Ramsey, Labor Relations Manager.

Commissioner Bowman requested clarification about the 7% cost-of-living pay increase indicated by the proposed contract. Ms. Ramsey explained that the wage increase is a market adjustment to bring wages in line with competing employers, in addition to a cost-of-living increase.

The motion for approval of agenda item 4c carried by the following vote:

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

Absent for the vote: Albro

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

6. DIVISION, CORPORATE, AND COMMISSION ACTION ITEMS

Agenda items 6a and 6b were removed from the agenda prior to publication.

6c. Authorization for the Chief Executive Officer to (1) increase the North Satellite Renovation & North Satellite Transit Station Lobbies project scope and budget (capital) by \$7,000,000 for a revised total budget of \$549,902,042; (2) increase authorization by \$1,000,000 for project design; (3) amend design service agreement with URS that exceeds 50% of the value of the original contract; and (4) increase authorization by \$30,000,000 for Preliminary Work Package #2 construction for a revised authorization total of \$194,718,800 (CIP #C800556).

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

Presenter(s): George England, Capital Program Leader, Aviation Project Management.

This authorization will allow for a redesign of the third floor, accommodating an increase in size for the Alaska Airlines lounge. The new design will also better support the proposed signature restaurant, add 3,000 square feet of leasable space, and provide for better foot-traffic circulation. Although this request moves the date for design completion to the second quarter of 2017, project completion will not be affected.

Alaska Airlines has issued a letter to the Port committing to a freeze on design changes following this authorization.

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

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

Absent for the vote: Albro

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

6d. Authorization for the Chief Executive Officer to advertise and execute a major works construction contract for the environmental remediation at the Lora Lake Apartment Site and Lora Lake Property with a total project cost of \$24,300,000, and increase the Environmental Reserve Liability by \$4,800,000.

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

Presenter(s): Bob Duffner, Senior Manager, Aviation Environmental Programs; Janene Axt, Capital Project Manager, Aviation Project Management Group; and Maiya Andrews, Public Works Director, City of Burien.

Since acquiring the property in 1999 as part of the Third Runway project, the Port has been working on environmental remediation with the City of Burien. There are three contaminated areas in the northwest corner of the Airport property, which was the location of barrel washing and auto wrecking yards prior to the Port's ownership. The Port will import uncontaminated soil and turn the existing lake into a wetland of a type that should not present a hazard to aviation.

Ms. Andrews expressed Burien's support of this project, adding that it is important to Burien's environment and economy.

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

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

Absent for the vote: Albro

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

6e. Authorization for the Chief Executive Officer to complete design documents for the Fishermen's Terminal Net Sheds 3, 4, 5, and 6 Roof Replacement Project including a solar panel demonstration study on one net shed for an estimated cost of \$195,000, bringing the current authorization to \$270,000 for an estimated total project cost of \$3,186,000 (CIP #C800526).

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

Presenter(s): Kenneth R. Lyles, Director of Fishing and Commercial Operations; Rod Jackson, Capital Project Manager III, Seaport Project Management, Terrance Darby, Sustainability and Energy Program Manager, Maritime Environmental.

The existing net shed roofs are at the end of their service lives. This project is a good opportunity to pilot solar implementation, with solar panels on the net shed roofs that will completely offset the buildings' power usage.

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

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

Absent for the vote: Albro

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

7. STAFF BRIEFINGS

7a. 2016 Second 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.

Of 87 projects included in the report, 47 are currently within or ahead of target schedule. Six projects are substantially complete, including three major aviation projects. Delayed items include Airport low-voltage power upgrades, which proved more complex than originally anticipated. In the Maritime division, Terminal 91 fender upgrades have been delayed due to the length of time to obtain materials. This project has been rescheduled in order to avoid interfering with the 2016-17 cruise season.

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

7b. Incentive Pay Program Status Update.

Presentation document(s) included a Commission agenda [memorandum](#), [presentation slides](#), and previously adopted [Resolution No. 3720](#).

Presenter(s): Dave Caplan, Senior Director, Strategic Initiatives.

For the customer satisfaction goal, the average survey score in the Aviation division is currently below the required number. A mitigation plan is under development, and scores are improving, but not at the desired rate. Customer service goals in the Maritime and Economic Development divisions are on track.

Scorecards have been developed and implemented for the small and women/minority business participation goal. However, small business participation is at 26.4%, lower than the goal of 35%, and women and minority business participation is at 3.5%, with a goal of 5.1%. Significant changes to procurement processes are being implemented in an effort to meet these goals.

Achievements for the environmental stewardship goals have been met, or are expected to be met by the necessary dates. Commissioner Felleman noted that findings of the Energy & Sustainability Committee may change the benchmarks for this goal in the future.

The outlook for accomplishing the financial goal is good. The plan requires a \$2 million year-end positive budget variance, and the current outlook is a \$4.4 million favorable variance.

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

7c. 2017 Budget Overview Briefing.

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

Presenter(s): Dan Thomas, Chief Financial Officer, and Dave Caplan, Senior Director, Strategic Initiatives.

The Commission received a preview of the 2017 budget and budget approval process, including an overview of key budget items. This year's focus has been on the development of the Long Range Plan and high performance organization strategies. Twenty-six percent of the proposed budget items tie directly to the Long Range Plan.

Key budget assumptions include the following:

- (1) 3.5 percent average performance increases
- (2) 1 percent increase in medical costs
- (3) 4 percent enplanement growth
- (4) 9.2 percent growth for cruise

Commissioners requested clarification on the four percent enplanement growth forecast, which could be viewed as low, given current double-digit passenger growth at the Airport.

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

8. ADDITIONAL NEW BUSINESS

CEO Fick gave a preview of items expected to come before the Commission in late September and early October.

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 3:38 p.m.

Stephanie Bowman
Secretary

Minutes approved: October 25, 2016.