



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

APPROVED MINUTES COMMISSION REGULAR MEETING SEPTEMBER 27, 2016

The Port of Seattle Commission met in a regular meeting Tuesday, September 27, 2016, in the International Auditorium at Seattle-Tacoma International Airport, Seattle, Washington. Commissioners Albro, Felleman, and Gregoire were present. Commissioner Bowman was absent. Commissioner Creighton participated by telephone from 1:40-3:00 p.m., and otherwise was excused in order to attend to other Port business.

1. CALL TO ORDER

The meeting was called to order at 12:00 p.m. by Commission Vice President Tom Albro.

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 one matter relating to litigation and legal risk, one matter relating to national security, and one matter relating to legal risk and collective bargaining negotiations. Following the executive session, which lasted approximately 55 minutes, the public meeting reconvened at 1:15 p.m. Commissioner Albro led the flag salute.

3. SPECIAL ORDERS OF BUSINESS

3a. September 27, 2016, CEO Report.

Ted Fick, Chief Executive Officer, previewed several items on the day's agenda and announced publication of the Port's Long Range Plan, new air service to Xiamen, China, new air cargo service by Airbridge Cargo Services, based in Moscow, and execution of a new contract for on-demand and for-hire ground transportation services at the Airport with Eastside For Hire.

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

Without objection, the Commission advanced to consideration of –

3b. Proclamation declaring September 27, 2016, Robert "Uncle Bob" Santos Day.

A copy of the proclamation was provided at the meeting, is included here as minutes [Exhibit A](#), and is available for public review.

Commissioner Gregoire commented on the life and service of Robert Santos in the pursuit of economic and social justice in the Pacific Northwest. State Representative Sharon Tomiko Santos

of the 37th Legislative District offered remarks describing the legacy of her late husband, Bob Santos. A signed copy of the proclamation was provided to the family.

The motion to issue a proclamation declaring September 27, 2016, Robert “Uncle Bob” Santos Day was adopted by the following vote:

In favor: Albro, Felleman, Gregoire (3)

Absent for the vote: Creighton, Bowman

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 Felleman, agenda item 4d was removed from the Unanimous Consent Calendar for separate discussion and vote.

4a. Approval of the minutes of the special meeting of May 23-24 and the regular meeting of July 12, 2016.

4b. Approval of claims and obligations for the period of August 1-August 31, 2016, in the amount of \$47,839,899.81 including accounts payable check nos. 912772-913203 in the amount of \$4,314,884.04, payroll check nos. P-183651-183897 in the amount of \$8,565,260.52, wire transfer nos. 014249-014292 in the amount of \$11,870,602.49, and EFTs nos. 043842-044424 in the amount of \$23,089,152.76 for a fund total of \$47,839,899.81.

4c. Authorization for the Chief Executive Officer to execute Economic Development Partnership Program contracts with the Cities of Bellevue, Shoreline, and Snoqualmie for an amount not to exceed \$132,350 as detailed below. Due to time sensitive projects, staff is requesting these three City Partnership applications be approved.

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

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

4e. Authorization to execute Change Order 20 to Contract MC-0317415, Fishermen’s Terminal Building C-15 HVAC Improvements, for a cost credit to the Port of \$180,000 and an increase to the project duration of 427 calendar days.

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

4f. Authorization for the Chief Executive Officer to (1) proceed with design and construction of the Security Checkpoint 5 Wall Replacement project at Seattle-Tacoma International

Airport; and (2) use Port crews to construct the project. This single authorization is for \$1,150,000 of a total estimated project cost of \$1,200,000 (CIP #C800858).

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

4g. Authorization for the Chief Executive Officer to execute Change Order 55 to Contract MC-0318131, Runway 16C/34C Reconstruction, at Seattle-Tacoma International Airport in the amount of \$339,907.25 (CIP #C800406).

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

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

In favor: Albro, Felleman, Gregoire (3)

Absent for the vote: Bowman, Creighton

Please see agenda item 4d 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):

- Nicole Grant, Executive Secretary, Martin Luther King County Labor Council, in support of project labor agreements and living wages for taxi drivers.
- Don Andrews, legislative representative, American Federation of Government Employees and the Transportation Security Administration, in support of labor harmony.
- Halene Sigmund, President, Construction Industry Training Council of Washington, regarding access of open-shop apprentices to work under project labor agreements with the Port of Seattle. Ms. Sigmund submitted written materials, which are included here as minutes [Exhibit B](#) and are available for public review.
- Wendy Novak, President, Associated Builders and Contractors of Western Washington, in opposition to use of project labor agreements at the Port of Seattle. Ms. Novak submitted written materials, which are included here as minutes [Exhibit C](#) and are available for public review.
- Jerry Dinndorf, Associated General Contractors of Washington, regarding concerns over proposed policy for project labor agreements. Mr. Dinndorf submitted written materials, which are included here as minutes [Exhibit D](#) and are available for public review.

Commissioner Creighton was present by telephone after 1:40 p.m.

- Dale Bright, President, Martin Luther King County Labor Council, regarding community workforce agreements and opportunities to improve Port policy.
- Pastor John Helmiere, Chair, Interfaith Economic Justice Coalition, regarding the Airport's contract for on-demand and for-hire taxi services.
- Mohamed Abdulah, Service Employees International Union Local 6, regarding janitorial services at the Airport.

- Matt Haney, Director, Service Employees International Union Local 6, regarding labor harmony and janitorial services at the Airport.
- Stefan Moritz, Unite Here Local 8, regarding project labor agreements, janitorial services at the Airport, and the Airport Dining and Retail Program.
- Cairo D’Almeida, American Federation of Government Employees Local 1121, regarding the locker room at Checkpoint 3. Mr. D’Almeida submitted written materials, which are included here as minutes [Exhibit E](#) and are available for public review.
- Salah Mohamed, taxi driver, regarding the contract for taxi services at the Airport and wheelchair accessible taxis.
- Shamsudin Mousa, taxi driver, regarding wheelchair accessible taxis at the Airport.
- Cindi Laws, Director, Wheelchair Accessible Taxi Association, regarding the taxi services contract at the Airport.
- Elias Shifow, driver, Wheelchair Accessible Taxi Association, regarding the taxi services contract at the Airport.
- Dawit Tesfaye, owner/driver, Wheelchair Accessible Taxi Association, regarding the taxi services contract at the Airport.
- Mohamed Sofe, owner/driver, Wheelchair Accessible Taxi Association, regarding King County regulations on wheelchair accessible taxis.
- Bob Armstead, National Association of Minority Contractors Washington Chapter, in opposition to proposed project labor agreement policy.
- Henry Yates, Eastside for Hire, regarding the company’s policies regarding labor participation and other aspects of the company’s business model.
- Margaret Diddams, organizer with Washington Community Action Network, regarding labor organization among janitors at the Airport.
- Written comment was received from Frank Lemos, President, National Minority Business Advisory Council. It is included here as minutes [Exhibit F](#) and is available for public review.

Commissioner Gregoire commented on the complicated, iterative process of crafting a request for proposals to replace expiring ground transportation services at the Airport in the midst of a major disruption in the for-hire and on-demand marketplace, including entrance of transportation network companies such as Uber and Lyft. In particular, she noted the interest of the Commission in providing ground transportation services at the Airport that would provide a verifiable living wage for drivers and an opportunity for labor to participate in creating an environment conducive to labor harmony within the ground transportation system at the Airport.

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

The Commission advanced to consideration of –

ITEMS REMOVED FROM CONSENT

- 4d. Authorization for the Chief Executive Officer to perform additional design, conduct environmental review, solicit additional public and tenant input, prepare necessary permit submittals, and prepare construction bid documents for the replacement of the Shilshole Bay Marina restroom and laundry facilities and associated leased space in the amount of \$893,000 for a total design authorization of \$1.6 million and a total project cost estimated at \$12 million (CIP #C800356).**

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

Presenter(s): Lindsay Pulsifer, Managing Director, Maritime, and Mark Longridge, Capital Project Manager III, Seaport Project Management.

In response to questions from Commissioner Felleman, it was reported that specific uses for additional space in the remodeled facilities are not yet known. The current request is intended to initiate design. Further authorization would be required before proceeding with construction. Staff was directed to consider various improvements during design to correct incongruities created by previous projects in the parking lot and elsewhere. Commissioner Albro noted the source of funds for the design funding is the general fund, rather than the tax levy.

The motion for approval of agenda item 4d 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.

6. DIVISION, CORPORATE, AND COMMISSION ACTION ITEMS

6a. First Reading of Resolution No. 3725: A Resolution of the Port of Seattle Commission establishing a Policy Directive for practices for construction labor for projects located on Port property.

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

Presenter(s): Ralph Graves, Senior Director, Capital Development, David Freiboth, Senior Director, Labor Relations, and Aaron Pritchard, Commission Issues & Policy Manager.

The nature of a project labor agreement was described, including the use of project labor agreements to enforce drug testing procedures. The existing executive policy on project labor agreements would be revised to conform to the Commission Policy Directive contained in Resolution No. 3725 upon adoption.

The decision criteria for determining the use of a project labor agreement were presented. The resolution outlines considerations for Port-directed construction, Port-reimbursed construction administered by tenants, and construction on Port property. It was noted that where project labor agreement provisions are recommended but not embraced *per se* due to market conditions, the principles embodied in the aspirational provisions can become scoring criteria for evaluating bids in a competitive selection process.

The process for developing the project labor agreement Policy Directive was summarized, including stakeholder participation. The role played by Commission priorities to reflect prevailing wage, apprenticeship utilization, local hiring, and small business participation were underscored.

Clarifications were requested on details of the proposal and definitions related to apprenticeships and locality hiring.

The motion for approval of First Reading of Resolution No. 3725 (agenda item 6a) 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. Request (1) unanimous consent to adopt Resolution No. 3724 at the same meeting at which it is first introduced, as required by Article VIII, Section 1, of the Commission Bylaws; and (2) First and Second Readings and Final Passage of Resolution No. 3724: A Resolution of the Port Commission of the Port of Seattle declaring certain real property located in the City of Auburn surplus and no longer needed for port district purposes and authorizing its sale to King County.

Request document(s) included a Commission agenda [memorandum](#), [notice of public hearing](#), [presentation slides](#), and draft resolution. A copy of the [adopted resolution](#) is attached for reference.

Presenter(s): Allan Royal, Aviation Property Manager II, Aviation Properties.

Mr. Royal described the property, which will be incorporated into the Green River Trail.

There was a motion to suspend Commission bylaws in order to take final action on Resolution No. 3724 on the same day it was introduced, which carried by the following required unanimous vote of all Port Commissioners:

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

Absent for the vote, but providing advance written consent: Bowman

Commissioner Bowman's advance written consent to adopt Resolution No. 3724 on the same day it was introduced is included here as minutes [Exhibit G](#), and is available for public review.

PUBLIC HEARING on Resolution No. 3724

Upon a motion and second for Final Passage of Resolution No. 3724, Commissioner Albro declared the public hearing for the resolution open. There was no public comment offered at this time, and the public hearing was closed.

The motion for Final Passage of Resolution No. 3724 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.

Commissioner Creighton was excused after 3:00 p.m. in order to attend to other Port business.

- 6c. Authorization for the Chief Executive Officer to execute an interlocal agreement creating a legal agreement between the City of Seattle and the Port of Seattle regarding the coexistence of a Port of Seattle marine stormwater utility and a City of Seattle stormwater utility.**

Request document(s) included a Commission agenda [memorandum](#), [agreement](#), [presentation slides](#), [Attachment 1](#), [Attachment 2](#), [Attachment 3](#), and [Attachment 4](#).

Presenter(s): Stephanie Jones Stebbins, Director, Maritime Stormwater Utility, and Jane Dewell, Maritime Stormwater Program Manager.

Commissioners requested clarification regarding disbursement of stormwater fees, nature of rehabilitation of the stormwater system infrastructure, and the schedule for further action by the Commission to set rates.

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

In favor: Albro, Felleman, Gregoire (3)

Absent for the vote: Bowman, Creighton

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

- 6d. Authorization for the Chief Executive Officer to conduct a competitive solicitation and execute a lease and concession agreement with a selected single proposer for the right for an advertising and promotion concession at Seattle-Tacoma International Airport for a period of ten years.**

Request document(s) included a Commission agenda [memorandum](#), [Attachment 1](#), [Attachment 2](#), and [presentation slides](#).

Presenter(s): Jim Schone, Director, Aviation Business Development, and Scott Van Horn, Senior Business Manager, Airport Dining & Retail.

Commissioners requested clarification regarding provision of opportunities to promote Washington tourism and commodities while complying with revenue diversion regulations of the Federal Aviation Administration. Commissioners proposed segregating ad space and funding sources in order to provide a program of Washington state promotion, which was not conceived of within the scope of the current request for proposals. Interest was expressed for other kinds of communication through this advertising space, such as messaging regarding human trafficking.

Without objection, agenda item 6d was laid on the table.

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

- 6e. Authorization for the Chief Executive Officer to (1) advertise and execute long-term contracts for up to 10 years for the purchase of hardstand equipment; (2) procure required hardware, software, vendor services, and maintenance to expand the Gate Management System; and (3) use Port staff for implementation for a total authorization of \$11,800,000 (CIP #C800838).**

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

Presenter(s): Daniel Zenk, Senior Manager Airport Operations.

The nature of the equipment to be procured was described and Commissioners discussed some of the congestion and customer service issues associated with increased reliance on hardstand operations. This involves use of remote parking of aircraft and busing of passengers to and from the terminal.

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

In favor: Albro, Felleman, Gregoire (3)

Absent for the vote: Bowman, Creighton

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

- 6f. Authorization for the Chief Executive Officer to execute up to four contracts for janitorial services for Seattle-Tacoma International Airport. The resultant contracts have an estimated value of \$80 million over a five-year period.**

Request document(s) included a Commission agenda [memorandum](#), which was subsequently corrected to reconcile an inconsistency in its description of request Alternative 3.

Presenter(s): Lance Lyttle, Managing Director, Aviation, and Stuart Mathews, General Manager, Aviation Maintenance.

The structure of the contracts and division of the Airport terminal into four zones was described. It was clarified that the proposed alternative in the agenda memorandum would not create any risk to labor harmony.

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

In favor: Albro, Felleman, Gregoire (3)

Absent for the vote: Bowman, Creighton

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

RECESSED AND RECONVENED

The meeting was recessed at 3:55 p.m. and reconvened at 4:00 p.m., chaired by Commissioner Albro.

7. STAFF BRIEFINGS

7a. 2017 Corporate Budget Briefing.

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

Presenter(s): Dan Thomas, Chief Financial Officer, and Kim Albert, Assistant Director, ICT Business Services.

The proposed budget for the Corporate Division was summarized, including 27 departments such as Accounting and Financial Reporting, Human Resources, Information and Communication Technology, Public Affairs, and more. Commissioners asked for clarification on the focus of some newer groups within the Corporate Division, centers of excellence, and coordination with the Northwest Seaport Alliance budget. The process for determining budget baselines and proposing additions for 2017 was discussed.

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

7b. Procurement Excellence Project Update.

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

Presenter(s): Dave Caplan, Senior Director, Strategic Initiatives; Nora Huey, Director, Central Procurement Office; and Daniel Acosta, Partner/Managing Director, Boston Consulting Group.

Commissioners received a status report on the progress of the Procurement Excellence initiative. The success of PortGen training for small and minority businesses to familiarize them with the process of doing business with the Port was described. It was proposed that future procurements describe how they benefitted from Procurement Excellence efforts.

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

7c. International Arrivals Facility – Phasing Revision and Progress Update.

Presentation document(s) included a Commission agenda [memorandum](#), [presentation slides](#), and video walk-through of the International Arrivals Facility (IAF) as currently designed.

Presenter(s): David Brush, IAF Program Leader, Ralph Graves, Senior Director, Capital Development, and Daniel Zenk, Senior Manager Airport Operations.

An update, including progress on the project schedule, budget, and notable milestones, was provided to the Commissioners. Acceleration of the second phase of IAF improvements to accommodate unanticipated growth in Airport operations was described. Commissioners asked questions about the design and its function and provided direction for future updates. Negotiation of a guaranteed maximum price (GMP) with the progressive design-build team is anticipated in November. The current revised budget estimate for the project, excluding narrow-body aircraft optimization at the South Satellite and baggage optimization below the IAF facility, stands at

approximately \$660,400,000. Including those related capital projects, the revised estimate is approximately \$684,400,000.

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

7d. Human Resources Compensation Equity Study Briefing.

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

Presenter(s): Cynthia Alvarez, Senior Manager, Employee Relations, Human Resources.

Ms. Alvarez reported to the Commission on a strategic and proactive review of compensation at the Port of Seattle that indicated no compensation disparity based on race or gender. She described the study methodology and the continuing nature of compensation equity monitoring performed by the Human Resources Department. Ms. Alvarez also noted no adverse impacts to promotions or rate of promotion due to race or gender under the current Affirmative Action plan. Commissioners commented on the high level of the public presentation, based on the desire to protect individual employee identities and indicated an interest in a closer review of the available data.

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

7e. Report on the Port Liability Insurance Renewal for the Policy Year beginning on October 1, 2016.

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

Presenter(s): Jeff Hollingsworth, Senior Manager, Risk Management.

In response to questions, Mr. Hollingsworth described the factors affecting an increase in public entity primary liability policy premiums and the strategy proposed to mitigate the increase.

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

8. ADDITIONAL NEW BUSINESS

CEO Fick described some actions pending before the Commission in the near future.

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 5:37 p.m.

Stephanie Bowman
Secretary

Minutes approved: October 25, 2016.