



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

APPROVED MINUTES COMMISSION REGULAR MEETING OCTOBER 24, 2017

The Port of Seattle Commission met in a regular meeting Tuesday, October 24, 2017, in the International Auditorium at Seattle-Tacoma International Airport, Seattle, Washington. Commissioners Albro, Bowman, Felleman, and Gregoire were present. Commissioner Creighton was absent. Commissioner Albro was present until 5:00 p.m.

1. CALL TO ORDER

The meeting was called to order at 12:00 noon by Commission 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 two matters relating to litigation and legal risk, one matter relating to sale or lease of real estate, litigation, and legal risk, and one matter related to labor negotiations. Following the executive session, which lasted approximately 65 minutes, the public meeting reconvened at 1:17 p.m. Commissioner Albro led the flag salute.

3. SPECIAL ORDERS OF BUSINESS

3a. October 24, 2017, Executive Director Report.

Dave Soike, Interim Executive Director, previewed several items on the day's agenda and announced kick-off of the Port's community giving campaign and recent quarterly service awards.

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 may remove items from the Consent Calendar for separate discussion and vote in accordance with Commission bylaws.]

Agenda item 4c was removed from the Unanimous Consent Calendar for separate discussion.

4a. Authorization to (1) complete design and prepare construction documents for Airport Terminal Safety Enhancements and Security Improvements project and (2) advertise, award, and execute construction contract(s) for only Phase I of the project for an additional \$6,218,000 for a total authorization of \$6,288,000 (CIP #C800862).

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

4b. Authorization for the Executive Director to execute three indefinite delivery, indefinite quantity contracts for regulated materials management services to support project, operational, and safety needs of all Port Divisions and the Northwest Seaport Alliance. The contracts will not exceed \$500,000 each, for a total amount not to exceed \$1,500,000. There is no budget request associated with this authorization. Each contract will have an ordering period of three years.

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

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

The motion for approval of consent items 4a and 4b carried by the following vote:

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

Absent for the vote: Creighton

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):

- Samantha Kealoha, Labor Equity Program Manager, King County, regarding priority hiring policies.
- Karen Dove, Executive Director, Apprenticeship and Nontraditional Employment for Women (ANEW), regarding priority hiring policies.
- Sonja Forster, Seattle District Manager, Associated General Contractors (AGC) of Washington, regarding priority hiring policies.
- Anita Adams, Deputy Manager, City of Seattle, regarding priority hiring policies.
- Ralph Ibarra, President, Diverse America Network, regarding Women and Minority Business Enterprises. Mr. Ibarra submitted written materials, which are included here as minutes [Exhibit A](#) and are available for public review.
- J.C. Harris, Des Moines resident, regarding airport noise monitoring.
- Joshua Berger, Governor's Maritime Lead, State of Washington, regarding the energy and sustainability motion (agenda item 6b).

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

The Commission advanced to consideration of –

ITEMS REMOVED FROM CONSENT

4c. Approval of the 2018-2022 Long Range Plan.

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

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

Commissioners commented on the absence of a strategy to increase the number of small business firms used by the Port for construction, consulting, goods, and services. Commissioners also commented on disaggregation of objectives related to women and minority-owned business utilization and on encouraging use of veteran-owned businesses.

Without objection, further consideration of agenda item 4c was laid on the table.

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. 3736, a resolution of the Port of Seattle Commission establishing a Priority Hire Policy Directive; and amending the Policy Directive related to practices for construction labor for projects located on Port property adopted by Resolution No. 3725.

Request document(s) included a Commission agenda [memorandum](#) and [draft resolution](#). A copy of the final draft of Resolution No. 3725 will be made available upon adoption.

Presenter(s): Veronica Valdez, Commission Specialist, and Marie Kurose, Workforce Development Manager, Economic Development.

Commissioners requested clarification on tracking priority hiring data and commented on coordination with other regional agencies and the benchmarking of goals and consequences for non-attainment. They discussed the Port's responsibilities for generating visibility and getting workers engaged in workforce development programs.

An amendment to remove the attachments on pages 12-14 of the policy directive text was adopted without objection.

The motion for approval of First Reading of Resolution No. 3736, as amended, carried by the following vote:

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

Absent for the vote: Creighton

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

6b. Motion of the Port of Seattle Commission implementing recommendations of the Energy and Sustainability Committee and setting strategic priorities.

Request document(s) included a [motion](#), [draft framework](#), and [allocation of resources document](#).

Presenter(s): Elizabeth Leavitt, Senior Director, Environment and Sustainability, and Aaron Pritchard, Commission Issues and Policy Manager.

The deliberative process of the Energy and Sustainability Committee was summarized. An amendment to remove references in the motion to specific full-time-equivalent positions and to renumber the sections of the motion was adopted without objection. The text of the motion, as amended, reads as follows:

Moved, that the Port of Seattle shall take the following actions:

- 1. Develop a Port Sustainability Evaluation Framework to assist the Port in meeting its greenhouse gas reduction and sustainability goals.**
- 2. Select up to four pilot projects, divided between the airport and maritime, beginning with a solar project on Pier 69, to identify how to incorporate the following environmental and societal components of project proposals including:**
 - i. Reduce greenhouse gas emissions**
 - ii. Increase energy resilience**
 - iii. Protect public health and the environment**
 - iv. Support local economic development**
 - v. Advance racial and social equity**
 - vi. Leverage partnerships**
 - vii. Advance innovation**
- 3. Evaluate and recommend methods for valuing and internalizing the external costs of carbon port-wide.**
- 4. Dedicate sufficient staff resources to focus on sustainability efforts to meet the recently approved Century Agenda greenhouse gas emission goals and to implement the Committee recommendations.**
- 5. Amend the Century Agenda to add Scope 2 goals. With the amendment, the greenhouse gas emission reduction goals will be as follows:**
 - Scope 1 and 2 – Port Controlled and Port Indirect Emissions**
 - 15 percent below 2005 levels by 2020**
 - 50 percent below 2005 levels by 2030**
 - Carbon Neutral by 2050 OR Carbon Negative by 2050**
 - Scope 3 – Port Influenced Emissions**
 - 50 percent below 2007 levels by 2030**
 - 80 percent below 2007 levels by 2050**
- 6. Work with the Northwest Seaport Alliance through the Port of Seattle’s Environment and Sustainability Center of Expertise to advance mutually shared goals, whenever practicable.**
- 7. The COE is directed to present the four proposed pilot projects to the Commission within 90 days of passage of the 2018 Budget, to include a proposed timeline for completion of the pilot projects.**
- 8. The COE will meet with key stakeholders across the Port including Project Management Group (PMG), Engineering, Finance and Investment, lease teams and other teams as necessary to implement and review the pilot projects. The pilot project results will be presented to Commission, with a recommended Policy Directive.**

- 9. The COE will report progress twice yearly on the Century Agenda greenhouse gas emission reduction goals and will maintain a public facing environmental scorecard reflecting that progress.**

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

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

Absent for the vote: Creighton

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

- 6c. Authorization to pursue the legislative priorities as described in this memorandum during the 2018 state legislative session, convening January 8, 2018, in Olympia, Washington.**

Request document(s) included a Commission agenda memorandum and presentation slides. A copy of the draft 2018 State Legislative Agenda was provided at the time of the meeting, and is available for public review in its subsequently amended form.

Presenter(s): Eric ffitich, State Government Relations Manager, Public Affairs, and Trent House, Contract Lobbyist, Trent M. House Government Relations.

Previously, the Commission received a presentation on this topic on October 10, 2017.

Changes to the legislative agenda requested subsequent to the presentation on October 10, 2017, were described. These included references to promoting rural economic development and rural broadband deployment, advocacy for efforts to stabilize the Model Toxics Control Act account to ensure availability of funds for core programs long-term, and opposition to legislation that would create an imbalance of representatives between the homeports of the Northwest Seaport Alliance or that would alter either homeport's governance structure previously established by voters without voter ratification.

Commissioners commented on the Port's interest in rural economic development as an expression of the Port's efforts to collaborate with other Washington ports to support broadly shared economic opportunity. They also noted that much of King County is rural in character.

Amendments to the legislative agenda to stress tourism promotion as a component of rural economic development and to reference the "governance" structure of the Northwest Seaport Alliance homeports (the Ports of Tacoma and Seattle) were adopted without objection.

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

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

Absent for the vote: Creighton

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

- 6d. Authorization for the Executive Director to execute appropriate contract documents for the purpose of renewing the Port's Microsoft Enterprise Software License Agreement through December 31, 2020, at a cost not to exceed \$2.7 million.**

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

Presenter(s): Peter Garlock, Chief Information Officer.

Commissioner Gregoire announced her intention to abstain from voting on agenda item 6d in an abundance of caution due to her position as an assistant general counsel for Microsoft's digital crimes unit.

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

In favor: Albro, Bowman, Felleman (3)

Absent for the vote: Creighton

Abstaining: Gregoire

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

- 6e. Authorization for the Executive Director to (1) execute a lease amendment for office space for the Capital Development Department (CDD) and Central Procurement Office (CPO) Major Works Department to move into the SeaTac Office Center (STOC) for \$6,829,000 and (2) Execute contracts to purchase office furniture, and design and install communications infrastructure to support business needs for \$2,228,000 (CIP #C800982).**

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

Presenter(s): Ralph Graves, Senior Director, Capital Development; James Jennings, Senior Manager, Aviation Properties; Lance Lyttle, Aviation Division Managing Director; and Dave Soike, Interim Executive Director.

The drivers for securing the additional work space were described, including projected staff growth in the Aviation Division over the next five years. Commissioners requested more information on employee growth and asked about the potential to purchase permanent office space. The implications of a shorter term lease were discussed, including the impacts of required tenant improvements. Commissioners asked that alternatives to the lease amendment be considered.

Without objection, further consideration of agenda item 6e was laid on the table.

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

7. STAFF BRIEFINGS

Without objection, the Commission advanced to consideration of –

7e. Port of Seattle Women and Minority Business Enterprise Policy.

Presentation document(s) included a Commission agenda [memorandum](#), [presentation slides](#), [Attorney General opinion](#) regarding Initiative 200 and application of race- or sex-conscious measures, and Washington State Department of Transportation (WSDOT) [Diversity Roadmap](#).

Presenter(s): Nora Huey, Director, Central Procurement Office; Teresa Delicino, Director, Small Business Development; Ralph Graves, Senior Director, Capital Development; and Aaron Pritchard, Commission Issues and Policy Manager.

The Commission received a presentation on a proposed policy directive on Women and Minority Business Enterprises. Commissioners asked for clarification on calculation of the percentages described in the 2014 Port of Seattle disparity analysis, which focused on construction contracting. There was discussion of applying an analysis of numbers of contracted firms and percentage of Port spending. It was noted that there are a variety of opportunity levers available to the Port based on the line of business and application of existing federal programs.

Commissioners stressed the importance of providing opportunities and achieving demonstrable outcomes and commented on potential disruption to contracting communities in the crafting of policy direction.

The elements of the proposed Women and Minority Business Enterprise policy were enumerated. Commissioners opined on the timing of adoption of an initial policy and a more fully formed policy and opportunities for public exposure to the proposed policy. The timing for complementary amendment of the Century Agenda was discussed.

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

Following the presentation on agenda item 7e, the Commission returned to consideration of –

7a. Follow-up Discussion of Operating Division Budget Requests.

Presentation document(s) included a Commission agenda [memorandum](#), [Sea-Tac Cargo Growth document](#), [Sea-Tac Tenant Street Pricing Document](#), [Portwide Full-Time-Equivalent positions document](#), and [Transfer of Airport Property to the Economic Development Division document](#).

Previously, the Commission received a presentation on this topic on October 10, 2017.

Responses to Commissioner questions from October 10, 2017, were presented in written form.

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

7b. Briefing on the Preliminary Tax Levy and the Draft Plan of Finance 2018-2022.

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

Presenter(s): Dan Thomas, Chief Financial Officer, and Elizabeth Morrison, Director, Corporate Finance.

Prospective capital spending over the next five years was compared to anticipated tax levy funding balances. Prioritization efforts for capital project planning were described. Commissioners asked about changes in tax levy use over time and the relationship between the tax amount levied and millage rates. Commissioners commented on trends for estimating levy uses and available balances over time. Staff proposals for use of the tax levy between 2018 and 2022 were presented. Commissioners requested clarifications on which capital projects are given priority for tax levy funding based on current business arrangements in the Maritime Division's lines of business. A specific list of levy uses was requested in connection with budget adoption. The Port's contribution to the baggage valet program for cruise passengers was discussed.

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

RECESSED AND RECONVENED

The meeting was recessed at 4:40 p.m. and reconvened at 4:43 p.m., chaired by Commissioner Albro.

7c. Salary and Benefits Resolution, Commission Briefing.

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

Presenter(s): Tammy Woodard, Director, Human Resources – Total Rewards; and Ann McClellan, Compensation Manager.

Commissioners noted changes to dual-reporting relationships of key staff. Other changes to salary and benefits compared to 2017 were described.

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

Commissioner Albro was present until 5:00 p.m., after which the meeting was chaired by Vice President Courtney Gregoire.

Without objection, the following agenda item –

7d. Evaluating Solar Energy at the Port of Seattle. [postponed]

– was indefinitely postponed.

8. ADDITIONAL NEW BUSINESS – None.

9. ADJOURNMENT

There was no further business, and the meeting adjourned at 5:13 p.m.

Prepared:

Attest:

Paul J. White, Commission Clerk

Ryan Calkins, Commission Secretary

Minutes approved March 13, 2018.