

Commissioners
John Creighton
Chair and President
Bill Bryant
Patricia Davis
Lloyd Hara
Gael Tarleton



Tay Yoshitani
Chief Executive Officer

P.O. Box 1209
Seattle, Washington 98111
www.portseattle.org
206.728.3000

An audio of the meeting proceedings and meeting materials are available on the Port of Seattle web site -

<http://www.portseattle.org/about/organization/commission/commission.shtml>

*(The approximate point in the audio recording for the specific item is identified by minutes and seconds; example: **01:30.**)*

**APPROVED MINUTES
COMMISSION REGULAR MEETING OCTOBER 14, 2008**

The Port of Seattle Commission met in a regular meeting at 3:00 p.m., Tuesday, October 14, 2008 in the Commission Chambers at Pier 69, 2711 Alaskan Way, Seattle, WA. Commissioners Bryant, Davis, and Tarleton were present. Commissioners Creighton and Hara were absent.

1. CALL TO ORDER

The regular meeting was called to order at 3:02 p.m. by Bill Bryant, Commission Secretary.

2. EXECUTIVE SESSION pursuant to RCW 42.30.110

The regular meeting was immediately recessed to an executive session to discuss Legal, Real Estate, and Public Contract matters for approximately one hour and reconvened to public session.

PLEDGE OF ALLEGIANCE

3. APPROVAL OF MINUTES

(00:00:57) Motion for approval of minutes of the work session of September 2 and the special meeting of September 23, 2008 – Davis

Motion carried by the following vote:

In Favor: Bryant, Davis, Tarleton (3)

Commissioners Creighton and Hara were absent for the vote.

4. SPECIAL ORDER OF BUSINESS

None.

5. (00:01:40) UNANIMOUS CONSENT CALENDAR

The following items were placed for consideration on the Unanimous Consent Calendar:

- a. Approval for payment of Claims and Obligations for the period of September 1 through September 30, 2008.**
- b. Request for authorization for Phase 2 of the Safety Management System Pilot Study for an estimated cost of \$500,000, supported by a reimbursable FAA grant of \$375,000 and cost to the Port of \$125,000 from the Aviation Division expense funds.**

Request Document: Commission agenda [memorandum](#) dated September 4, 2008 from Mark Coates, Senior Manager, Airport Operations.

- c. Request for approval of Change Order #54 in the amount of \$483,697.77 for the Terminal 18 North Apron Upgrade Project.**

Request Document: Commission agenda [memorandum](#) dated October 6, 2008 from Ralph Graves, Managing Director, Capital Development Division

- d. Request for authorization to advertise, bid, and perform contract administration for T86 spouts #1 and #4 in the amount of \$1,700,259.**

Request Document: Commission agenda [memorandum](#) dated September 10, 2008 from Mike McLaughlin, Director, Cruise and Industrial Properties and Rod Jackson, Capital Construction Project Manager, Seaport

- e. Request for authorization to execute a contract with Watson Wyatt for insurance broker/consulting services in the amount of \$100,000 for one year with 4 options, exercisable by the Port, to extend the contract one year at a time for a possible total amount of \$500,000.**

Request Document: Commission agenda [memorandum](#) dated October 7, 2008 from David Henderson, Senior Manager, Total Compensation

Motion for approval of Unanimous Consent Items – Davis

Motion carried by the following vote:

In Favor: Bryant, Davis, Tarleton (3)

Commissioners Creighton and Hara were absent for the vote.

6. POLICY AND STAFF BRIEFINGS

a. (00:03:23) Construction Safety Recognition Briefing

Presentation Document: Commission agenda [memorandum](#) dated October 7, 2008 from Ray Rawe, Chief Engineer and John Hogan, Manager, Construction Safety Services

Presenters: Mr. Rawe and Mr. Hogan

Staff recognized four construction firms who had zero recorded injuries on their projects over at least the previous 12 months. The four firms were PCL Construction, General Construction, American Construction Company, and Sasco Electric.

Representatives of the firms were introduced, certificates of accomplishment were presented, and there was a photo opportunity with the Commissioners and CEO.

b. (00:16:47) Terminal 30 and Terminal 91 Project Construction Field Progress

Presentation Documents: Commission agenda [memorandum](#) dated September 15, 2008 from Michael Burke, Director, Container Operations and Fred Chou, Capital Construction Project Manager and computer slide [presentation](#) titled, "Update on Terminal 30 Container Reactivation and Terminal 91 Cruise Terminal Relocation Project."

Presenters: Mr. Chou and Ticson Mach, Capital Construction Project Manager

Within the presentation, photographs were shown reflecting progress made since last month's presentation and the status of the project at this point in time.

Responding to Commissioner Bryant's inquiry of the balance remaining in the original project contingency fund, Mr. Chou responded there is approximately \$800,000 remaining.

c. (00:24:19) Audit Response Update

Presentation Documents: Commission agenda [memorandum](#) dated October 8, 2008 from Dakota Chamberlain, Manager, Seaport Project Management and computer slide [presentation](#) titled, "Audit Response Action Plan Update to Commission."

Presenter: Mr. Chamberlain

Topics reviewed:

- Status report on remaining recommendations
- Next steps

Commission Tarleton requested that in the next briefing, there be more focus on access to the Port's small works roster and how we are creating more visibility to the public.

Mr. Yoshitani commented that also within follow-up presentations, information would be included regarding response to the audit recommendation requiring adequate documentation of legal review of contracts.

d. (00:34:31) Capital Funding Briefing

Presentation Documents: Commission agenda [memorandum](#) dated September 23, 2008 from Dan Thomas, Chief Financial Officer and Elizabeth Morrison, Senior Manager, Corporate Finance and computer slide [presentation](#) titled, "Preliminary Funding Analysis – Seaport and Real Estate."

Presenters: Mr. Thomas, Ms. Morrison and Boni Buringrud, Manager, Seaport Finance and Budget.

Prior to the presentation, Ms. Morrison provided a brief update on the current status of the capital market situation in light of recent financial issues throughout the country. She addressed both short-term and long-term issues.

Topics within the presentation included:

- Overview of Capital Budgeting
- Committed CIP
- Prospective CIP
- Other Funding Needs
- Seaport 2009 Committed Capital Plan
 - Capital Budget Review
 - Seaport 2009 Key Strategies
 - Seaport Capital Plan Summary
 - Seaport Committed Capital
 - Key Changes
 - Capital Under Contract
 - Commission Authorized
 - Division Pending
- Real Estate Division 2009 Committed Capital Plan
 - Capital Budget Review
 - Real Estate Capital Plan Summary
 - Real Estate Committed Capital Plan
 - Key Changes

- Under Contract
- Division Pending
- Other Funding Needs
- Total Funding Needs
- Funding Sources
- Revenue Funding Capacity
- Conclusions and Next Steps

Commissioner Bryant commented that further policy guidance would be provided to staff regarding the upcoming budget, and suggested staff look further at their budget in an attempt to meet the 2% goal of reducing corporate overhead.

7. MARINE ITEMS

None.

8. AVIATION ITEMS

- a. (01:25:47) Request for authorization to prepare design documents; execute service agreements; prepare, execute and award contracts; specify a sole source manufacturer for passenger loading bridges; solicit bids and award contracts for the Passenger Loading Bridge Project in the amount of \$1,917,000.**

Request Document: Commission agenda [memorandum](#) dated October 7, 2008 from Michael Ehl, Director, Airport Operations and Robert F. Riley, Director, Aviation Capital Improvement Program

Presenters: Nick Harrison, Senior Manager, Airport Operations and Ed Weitz, Capital Construction Project Manager

Motion for approval of Item 8a – Tarleton

Motion carried by the following vote:

In Favor: Bryant, Davis, Tarleton (3)

Commissioners Creighton and Hara were absent for the vote.

- b. (01:30:17) Request for approval to use general Airport funds to provide temporary funding of the Consolidated Rental Car Facility project and, along with Customer Facility Charge revenue, allow for continuation of project construction on schedule.**

Request Document: Commission agenda [memorandum](#) dated October 6, 2008 from Jim Schone, Director, Aviation Business Development; George England, Program Leader, Landside/Stormwater; and Elizabeth Morrison, Senior Manager, Corporate Finance.

Presenters: Mr. Schone, Mr. England, and Ms. Morrison

Prior to the presentation, Mr. Yoshitani commented that although this item was listed as an action item, the vote would take place at a future meeting, and that background information for discussion would be provided at today's meeting.

Ms. Morrison provided information on a proposed modification to the original funding plan for the Rental Car Facility, necessary due to the current financial situation in the country.

Mr. Schone referenced a letter from Lorie Tallarico dated October 13, 2008, written to Commission President Creighton, a copy of which had been provided to the full Commission. A copy of the letter from Ms. Tallarico, Chairperson of Seattle Participating Rental Car Companies was also submitted for the record; is by reference made a part of these minutes; is marked Exhibit '[A](#)'; and is on file in Port offices.

Commissioner Bryant commented on the need for projects across the nation to be postponed or slowed due to the current freeze in credit markets. He stated that he felt four factors should be used when considering whether or not to go forward with projects, including the need to be financially prudent, the creation of jobs, the need to protect the environment, and the decision needs to be made in public.

Commissioner Bryant also stated that although he appreciated the fact that there were options being presented on how to proceed with the rental car facility and bridge between now and next Spring, he also wanted to see an exit strategy should the financial market not recover by that time.

9. CAPITAL DEVELOPMENT

- a. (01:42:30) Request for authorization to (1) Issue Change Order to Terminal 30 Upgrade Contract for upland disposal of dredge material in the amount of \$4,099,664; and (2) Authorize funds in the amount of \$4,818,664 for a new project total authorization of \$126,343,886.**

Request Document: Commission agenda [memorandum](#) dated September 26, 2008 from Ralph Graves, Managing Director, Capital Development Division.

Presenters: Mr. Graves and Janice Zahn, Assistant Engineering Director

Motion for approval of Item 9a - Tarleton

Prior to the vote, Commissioner Bryant read into the record a letter from Commission President Creighton to Commissioner Hara dated October 8, 2008. A copy of the letter is, by reference, made a part of these minutes, is marked Exhibit '[B](#)' and is on file in Port offices.

Staff clarified that under the current Memorandum of Understanding, the contribution from the county is to be 50% of the direct cost of the disposal, or just over \$2,000,000.

Public Comment regarding Item 9a was received from the following:

- Fred Felleman, Friends of the Earth

Commissioner Tarleton commented that tax levy dollars would be used in funding the project being discussed, and noted her belief that King County taxpayers would be supportive of helping clean up Puget Sound.

Commissioner Bryant reiterated the fact that the Port of Seattle is committed to growing sustainably, which could mean that at times the Port would have to exceed standards.

Motion for approval of Item 9a carried by the following vote:

In Favor: Bryant, Davis, Tarleton (3)

Commissioners Creighton and Hara were absent for the vote.

b. (02:02:05) Request for authorization for design and permitting of barge layberth improvements at Terminal 25, Pier 28 and Terminal 46.

Request Document: Commission agenda [memorandum](#) dated September 24, 2008 from Mike McLaughlin, Director, Cruise and Industrial Properties and Scott Pattison, Manager, Industrial Properties and Business Development.

Presenters: Mr. McLaughlin and Mark Longridge, Capital Construction Project Manager

Motion for approval of Item 9a – Davis

Motion carried by the following vote:

In Favor: Bryant, Davis, Tarleton (3)

Commissioners Creighton and Hara were absent for the vote.

10. REAL ESTATE

None.

11. GENERAL BUSINESS

a. (02:05:35) Request for authorization to execute a Collective Bargaining Agreement with the International Brotherhood of Electrical Workers, representing Electrical Technicians.

Request Document: Commission agenda [memorandum](#) dated October 7, 2008 from Gary Schmitt, Director, Labor Relations

Motion for approval of Item 11a – Davis

Motion carried by the following vote:

In Favor: Bryant, Davis, Tarleton (3)

Commissioners Creighton and Hara were absent for the vote.

12. NEW BUSINESS

(02:10:22) Commissioner Tarleton suggested that there be discussion in the future of how planning assumptions for the upcoming budget may need to be recalibrated due to recent changes in the financial markets.

13. ADJOURNMENT

There being no further business, the meeting was adjourned at 6:17 p.m.

(A digital recording of the meeting is available on the Port's website.)

Bill Bryant
Secretary