



**Commissioners**

Bill Bryant  
Chair and President  
Tom Albro  
John Creighton  
Rob Holland  
Gael Tarleton

Tay Yoshitani  
Chief Executive Officer

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

**APPROVED MINUTES  
COMMISSION SPECIAL MEETING NOVEMBER 9, 2010**

The Port of Seattle Commission met in a special meeting at 2:00 p.m., Tuesday, November 9, 2010 in Commission Chambers, Pier 69, 2711 Alaskan Way, Seattle, WA. Commissioners Albro, Bryant, Holland, and Tarleton were present. Commissioner Creighton was absent.

**1. CALL TO ORDER**

The special meeting was called to order at 2:10 p.m. by Bill Bryant, Chair and President.

**2. EXECUTIVE SESSION pursuant to RCW 42.30.110**

None.

**PLEDGE OF ALLEGIANCE**

**3. APPROVAL OF MINUTES**

None.

**4. SPECIAL ORDER OF BUSINESS**

None.

**5. (00:01:27) UNANIMOUS CONSENT CALENDAR**

- a. Approval of [claims and obligations](#) in the amount of \$48,754,347.58 for the period of October 1 through October 31, 2010.

- b. Authorization for the Chief Executive Officer to approve an additional \$29,000 for the Fire Department Medical Aid and Airfield Firefighting Vehicles to allow the purchase and installation of essential thermal imaging equipment and their electrical chargers. The original project was approved for \$1,095,000; the supplementary funds (\$29,000) would increase the authorized amount to \$1,124,000.**

Request document: Commission agenda [memorandum](#) dated October 25, 2010 from Randy Krause, Port of Seattle Fire Chief

**Motion for approval of Consent Items 5a—5b – Tarleton**

**Second – Albro**

**Motion carried by the following vote:**

**In Favor: Albro, Bryant, Holland, Tarleton (4)**

Commissioner Creighton was absent for the vote.

**6. DIVISION, CORPORATE AND COMMISSION ACTION ITEMS**

- a. (00:02:20) Authorization for the Chief Executive Officer to execute a five-year lease, with an option to renew for one additional five-year term at fair market rate, substantially as drafted in the attached lease document and according to the terms laid out in this memorandum with Miller & Miller Boatyard Company, Inc. at the Maritime Industrial Center.**

Request documents: Commission agenda [memorandum](#) dated November 3, 2010 and computer slide [presentation](#) from Melinda Miller, Director, Portfolio Management and Rebecca Schwan, Real Estate Manager. Also provided was a copy of the lease [agreement](#).

Presenter: Ms. Miller

Ms. Miller provided brief background information on the Miller & Miller Boatyard Company, a long-standing tenant with the Port, noting that this family-run business has been at the Maritime Industrial Center (MIC) since the year 2000, and in business for about 30 years. They currently lease warehouse, yard area and moorage from the Port.

Ms. Miller noted that the proposed agreement has been signed by the company in anticipation of the Commission's vote at today's meeting.

**Motion for approval of Item 6a – Albro**

**Second – Tarleton**

**Motion carried by the following vote:**

**In Favor: Albro, Bryant, Holland, Tarleton (4)**

Commissioner Creighton was absent for the vote.

- b. (00:12:12) Authorization for the Chief Executive Officer to increase the amount of the At-Berth Clean Fuels (ABC Fuels) Vessel Incentive Program by \$110,250, for a total 2010 annual program budget of \$951,750 to cover participation by the projected number of qualifying vessels visits for the remainder of the year.**

Request documents: Commission agenda [memorandum](#) dated October 29, 2010 and computer slide [presentation](#) from Phil Lutes, Deputy Managing Director, Seaport Division and Ellen Watson, Environmental Management Specialist, Seaport Environmental Programs

Presenters: Mr. Lutes and Ms. Watson

Mr. Lutes commented on the ABC Fuels program, and the fact that it is an example of how collaborative efforts with partners can lead to achievement of high-level performance results.

Ms. Watson commented on the fact that today's request for additional funding is due, in part, to the fact that the success of this program had been underestimated.

Public comment regarding Item 6b was received from the following individual:

- Fred Felleman, Friends of the Earth. Mr. Felleman spoke in support of the ABC Fuels program and also commented that he wonders about the verification process of ships involved in the program, in order to confirm that funds are being spent appropriately.

Responding to comments from Commissioner Holland regarding emissions standards going forward in the future, Ms. Watson stated that the International Maritime Organization (IMO) for North America requires that within 200 miles of the boundaries of the continent, ships will have to burn 1% sulfur fuel by the year 2012, and 0.1% by the year 2015.

**Motion for approval of Item 6b – Holland**

**Second – Albro**

**Motion carried by the following vote:**

**In Favor: Albro, Bryant, Holland, Tarleton (4)**

Commissioner Creighton was absent for the vote.

- c. (00:23:58) Resolution No. 3646, Second Reading and Final Passage. Declaring surplus and no longer needed for Port District purposes 2.84 acres of Port-owned real property**

**located in the City of Des Moines, Washington, and authorizing the Chief Executive Officer to execute all documents necessary to transfer title of the property to the City of Des Moines for \$743,334 and amend the Comprehensive Scheme to reflect that the property is surplus to the needs of Seattle-Tacoma International Airport and is hereby deleted from Unit No. 18.**

Request documents: Commission agenda [memorandum](#) dated November 3, 2010 from Mark C. Griffin, Senior Real Estate Development Manager; James R. Schone, Director, Aviation Business Development; and Diane Summerhays, Director, Aviation Community Development. Also provided were a site [map](#), a copy of the [Resolution](#), and a copy of the [addendum](#) to the development agreement.

Presenter: Mr. Griffin

There was no discussion on the item.

**Motion for Resolution No. [3646](#), Second Reading and Final Passage – Tarleton**

**Second: Albro**

**Motion carried by the following vote:**

**In Favor: Albro, Bryant, Holland, Tarleton (4)**

Commissioner Creighton was absent for the vote.

- d. (00:25:33) Resolution No. 3647, First Reading. 2011 Salary and Benefit Resolution. Establishing jobs, pay grades, salaries, allowances and adjustments for Port employees not covered by a collective bargaining agreement; authorizing and establishing conditions in connection with the following benefits: Social Security' Industrial Insurance; Unemployment Compensation; Military Leave; Retirement; Compensated Leave, including Civic Duty, Bereavement Leave, Holidays, Paid Time Off/Extended Illness Leave, Shared Leave, and Awarded Time; Insurance Benefits, including Medical, Dental, Life and Long-Term Disability; and authorizing this Resolution to be effective on January 1, 2011 and repealing all prior resolutions, including Resolution No. 3633.**

Request documents: Commission agenda [memorandum](#) dated October 22, 2010, computer slide [presentation](#), and copy of [Resolution](#) from Tammy Woodard, Senior Manager, Total Compensation.

Presenter: Ms. Woodard

Ms. Woodard highlighted key points of the Salary and Benefit Resolution and proposed changes for next year, noting that changes will be minimal and that benefit changes will impact employees more significantly than Resolution changes will. Changes will reflect a conservative approach to both pay and benefits for 2011. She noted that the Resolution covers slightly over half of Port

employees and contains provisions similar to collective bargaining agreements. She also briefly reviewed differences between the Port's and Public Employers' pay programs.

Ms. Woodard stated that in 2011, employees' portion of their medical costs will be increasing for the third consecutive year, although it will not be known what the overall portion of the premium cost will be until later in the month when open enrollment concludes.

Specific changes proposed to the 2011 Salary and Benefit Resolution include:

- Minor wording changes
- An updated holiday schedule for the year
- A reduction in Paid Time Off (PTO) accumulation limits
- A 2% adjustment to salary ranges for non-represented salary ranges

CEO Yoshitani stated that he believed more thorough communication with employees could have been done to explain how much the Port contributes to medical costs, and also to help employees understand the comparative costs to other public agencies.

Commissioner Tarleton noted that the Port owes the employees and their families information in these areas in order for them to have a better look ahead into the future.

Commissioner Albro commented on the need to focus on the drivers of costs and not allow ourselves to become non-competitive. He commented on the need to review the Port's labor contracts going forward and their automatic Cost of Living Agreements (COLA's). He reiterated that he supports the Salary and Benefit Resolution, with the exception to the 2% increase proposed for the pay range, and would prefer to have it at a level of 1%.

Commissioner Holland commented on the importance of public agencies having a generous health care package to offer their employees, as well as the need to maintain a high-level staff, and stated that he did not tend to support the Resolution.

Ms. Woodard clarified differences between the proposed Resolution and how it would or would not impact the 2011 budget.

**Motion for approval of Resolution No. 3647, First Reading – Tarleton**

**Second: Albro**

**Motion to amend Resolution No. 3647, adjusting the proposed pay range from 2% to 1% - Albro**

**Second: Bryant**

**Motion on proposed amendment failed as follows:**

**In Favor: Albro, Bryant (2)**

**Opposed: Holland, Tarleton (2)**

**Creighton absent for the vote.**

**Resolution No. 3647, First Reading, carried by the following vote:**

**In Favor: Albro, Bryant, Tarleton (3)**

**Abstained: Holland (1)**

**Creighton absent for the vote.**

**e. (01:16:54) Resolution No. 3645, First Reading. Adopting the final budget of the Port of Seattle for the year 2011; making, determining, and deciding the amount of taxes to be levied upon the current assessment roll; and directing the King County Council as to the specific sums to be levied on all of the assessed property of the Port of Seattle District in the year 2011.**

- **First Reading of Resolution No. 3645**
- **Public Hearing**

Request documents: Commission agenda [memorandum](#) dated November 3, 2010 and computer slide [presentation](#) from Dan Thomas, Chief Financial and Administrative Officer and Michael Tong, Corporate Budget Manager. Also provided was a copy of the [Resolution](#).

Presenters: Mr. Thomas and Mr. Tong

Mr. Tong provided a brief recap of the 2011 budget process, noting that there have been a number of briefings to the Commission on the budget prior to this First Reading of the Resolution. He then provided background of efforts the Port has made to managed its budget since 2009, in anticipation of the economic downturn.

Mr. Tong then provided a summary of the 2011 proposed budget, which was also provided to the Commission at the previous Commission meeting. He noted specifically that the bottom line of operating income is \$214 Million, an increase over both the 2009 and 2010 numbers.

Reviewing the Port-wide FTE (full time equivalent) summary, Mr. Tong stated that staff is proposing to eliminate 32.1 FTEs, and add 33.3 new FTE's, with a net result of an increase of 1.1 FTEs.

Mr. Tong then briefly reviewed the 2011 proposed capital budget by division, noting the total of both the committed and business plan prospective projects.

Mr. Thomas continued the presentation with an overview of the tax levy, stating that based on previous discussions with the Commission, staff is proposing a tax levy amount of \$73.5 Million, which is the same as was levied for 2010. He also briefly reviewed proposed sources and uses of

the tax levy. Mr. Thomas also clarified that the numbers being presented exclude the \$13 Million current balance in the Transportation and Infrastructure Fund, and noted that consistent with dialogue that has taken place, the Port would also be funding a \$5 Million contribution to the rebuilding of the Southpark Bridge out of that Fund.

Mr. Tong reviewed the remaining anticipated budget schedule as follows:

- Second Reading and Final Passage of the Budget Resolution – November 23, 2010
- Statutory Budget Filed with King County – December 2, 2010
- Release of Final Budget Document – December 15, 2010

**Motion for Resolution No. 3645, First Reading – Tarleton**

**Second - Albro**

Commission President Bryant then declared the meeting an Open Public Hearing, and public comment was received from the following individual:

- Ed White, Vice-president, Corporate Real Estate, Alaska Airlines and Horizon Air. Mr. White commented on the proposed budget, and recognized the good work done over the years that has been done with the Port. He noted appreciation of the Port's transparency, which has produced results in the area of cost management. He noted Alaska's commitment to work diligently and constructively with the Port to manage a more competitive Airport.

There being no further comment, the Public Hearing was declared closed.

Commissioner Albro encouraged that the Pay for Performance increase as proposed in the Resolution at an average of 2.5% be revised to lowering the bottom level to 1% and the maximum to 3.5%.

**Resolution No. 3645, First Reading passed as follows:**

**In Favor: Albro, Bryant, Tarleton (3)**

**Opposed: Holland (1)**

Commissioner Creighton was absent for the vote.

**7. STAFF BRIEFINGS**

None.

**8. NEW BUSINESS**

Commissioner Tarleton called to attention the fact that yesterday was the 100<sup>th</sup> anniversary of the date that Washington women won the right to vote. She acknowledged a proclamation made at King County Council Chambers yesterday to the League of Women Voters of King County, Seattle and South King County in honor of that anniversary.

CEO Yoshitani announced that within the past few hours, he had approved the sale of bonds which were under the parameters authorized by the Commission.

Elizabeth Morrison, Senior Manager, Corporate Finance, provided details on the sale of the bonds as follows: The sale, which was very successful, with the par amount of the bonds at \$146.5 million, with an all in interest rate of 3.63%, and the present value savings is \$14.7 million.

**9. POLICY ROUNDTABLE**

None.

**10. ADJOURNMENT**

There being no further business, the special meeting was adjourned at 4:02 p.m.

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

Rob Holland  
Secretary