



**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 30, 2010**

The Port of Seattle Commission met in a special meeting at 8:30 a.m., Tuesday, November 30, 2010 in Commission Chambers, Pier 69, 2711 Alaskan Way, Seattle, WA. Commissioners Albro, Bryant, Creighton, Holland, and Tarleton were present.

**1. CALL TO ORDER**

The regular meeting was called to order at 8:47 a.m. by Bill Bryant, Chair and President.

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

None.

**PLEDGE OF ALLEGIANCE**

**3. APPROVAL OF MINUTES**

**Motion for approval of minutes of the October 5, 2010 regular meeting and October 12, 2010 special meeting – Albro**

**Second – Creighton**

**Motion carried by the following vote:**

**In Favor: Albro, Bryant, Creighton, Holland, Tarleton (5)**

**4. SPECIAL ORDER OF BUSINESS**

None.

**5. (00:02:15) UNANIMOUS CONSENT CALENDAR**

Item 5a was removed as a consent item for discussion.

- a. **Authorization for the Chief Executive Officer to execute Change Order No. 001 for the Seattle-Tacoma International Airport Central Mechanical Plant Ethernet Controls Upgrade Contract, for a no cost time extension of 365 calendar days to complete the Ethernet Upgrade of the Central Mechanical Plant.**

Request document: Commission agenda [memorandum](#) dated November 4, 2010 from Ralph Graves, Managing Director, Capital Development Division

Presenter: Mr. Graves

Mr. Graves commented on the request, noting that the contract in question is in need of a time extension, due to the fact that the contractor was unfamiliar with certain Port requirements related to completion and submission of a job safety plan. He also clarified that this is a time extension only, and there will be no additional costs.

**Motion for approval of Item 5a – Tarleton**

**Second – Albro**

**Motion carried by the following vote:**

**In Favor: Albro, Bryant, Creighton, Holland, Tarleton (5)**

*Item 6e was advanced on the agenda as follows:*

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

- e. **(00:05:27) Request for Commission ratification of budget increase for the Security Checkpoint Optimization Project from \$160,000 to \$430,000.**

Request document: Commission agenda [memorandum](#) dated November 17, 2010 from Wayne Grotheer, Director, Aviation Project Management Group and Ralph Graves, Managing Director, Capital Development Division

Presenters: Mr. Grotheer and Mr. Graves

Mr. Graves commented on the request, noting that security at the Airport is provided a joint effort between the Transportation Security Administration (TSA) and the Airport. The Checkpoint

Optimization Project is one that requires changes to infrastructure at the Airport in order to complete installation of Advanced Imaging Technology systems. Due to a variety of factors, including increasing costs, and the fact that work has already been done, he noted that this is basically a request for ratification of the spending of funds.

Mr. Grotheer commented on issues which had occurred with the badging and escorting of TSA contractors, and noted that staff will work to make sure these problems do not happen with contractors in the future.

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

**Second – Tarleton**

**Motion carried by the following vote:**

**In Favor: Albro, Bryant, Creighton, Holland, Tarleton (5)**

- a. (00:12:23) **Authorization for the Chief Executive Officer to advertise for construction bids, award and execute the contract and construct a new roofing system on the South End of the Main Terminal at Seattle-Tacoma International Airport (Airport). The amount of this request is \$2,520,000, with a total cost of the project estimated to be \$2,640,000.**

Request document: Commission agenda [memorandum](#) dated November 3, 2010 from David Soike, Director, Aviation Facilities and Capital Program and Wayne Grotheer, Director, Aviation Project Management Group

Presenters: Mr. Soike and Mr. Grotheer

Mr. Soike provided background information on the roofing program at the Airport, which had gotten behind a number of years ago. This resulted in numerous leaks throughout the terminal. Roofs are aging and will soon need to be replaced. He stated that the Airlines had been briefed on the project earlier in the year, and voted favorably to replace the roofs. He noted that the Commission had then authorized the design of the project, and at this time, the intent is to put the project out to bid. Mr. Soike stated that there will be a roofing project each year for the next five years.

Mr. Grotheer stated that this project will cover approximately 2 acres of roof, will have better insulation, and will be energy star rated. He also noted that the project will be done using in-house design.

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

**Second – Holland**

**Motion carried by the following vote:**

**In Favor: Albro, Bryant, Creighton, Holland, Tarleton (5)**

- b. (00:22:18) Authorization for the Chief Executive Officer to execute a proposed Easement Utility Agreement, substantially as described in this memorandum, with Seattle City Light (SCL) for an area covering approximately 400 square feet, for the installation of switching equipment supporting the electrical infrastructure at Terminal 46 (T-46).**

Request document: Commission agenda [memorandum](#) dated November 12, 2010 and computer slide [presentation](#) from Christine Wolf, Seaport Transportation Program Planner and Mike Campagnaro, Manager, Container Leasing

Presenters: Ms. Wolf and Mr. Campagnaro

Ms. Wolf commented that the need for this easement is related to the moving of utilities in the area, being done by Washington State Department of Transportation (WSDOT) as part of preparation for the replacement of the Alaskan Way Viaduct. She stated that as part of the move of utilities, power lines to Terminal 46 will be placed underground, rather provided from an overhead line, as it currently is.

Mr. Campagnaro noted that the tenant at T46, Total Terminals, Inc. (TTI), is in agreement with the easement, and stated that staff will return to Commission at a later date to amend the lease with TTI to remove the easement area from the lease.

Responding to a question from Commissioner Tarleton regarding what rights the Port will retain to ensure use of the easement and the power supply is not impeding or obstructing our capacity to add future capabilities or infrastructure at Terminal 46, Mr. Campagnaro stated that those terms have not yet been negotiated with the City.

Commissioner Tarleton stated that she would like to be sure that while the easement terms are being negotiated, CEO Yoshitani keeps in mind the Port's right to have input as to other potential users that Seattle City Light might want to acquire there.

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

**Second – Holland**

**Motion carried by the following vote:**

**In Favor: Albro, Bryant, Creighton, Holland, Tarleton (5)**

- c. (00:42:45) Resolution No. 3647, Second Reading and Final Passage, the 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 dealing with the same subject, including Resolution No. 3633.**

Request documents: Commission agenda [memorandum](#) dated November 15, 2010 from Tammy Woodard, Senior Manager, Total Compensation. Also provided were copies of the Resolution, both [redline](#) version and [final](#), including its [Exhibit 'A'](#).

Presenter: Gary Buchanan, Director, Human Resources and Development

Mr. Buchanan stated that the notable change to this Resolution is the recommended 2% adjustment to the non-represented salary ranges. He noted the goal of the Port's pay program is to maintain these ranges to reflect local market pay levels throughout the coming year, and stated that the 2010 ranges are currently below market by about 1% because ranges were not adjusted in 2010. Mr. Buchanan noted that depending on changes in the market during 2011, the Port's ability to retain skilled, high-performing workers could be adversely affected, as well as the ability to attract new high performers.

Mr. Buchanan stated that one edit had been made to the Resolution since First Reading, which was to clarify that this Resolution would repeal Resolution No. 3633.

Ann McClellan, Senior Total Compensation Analyst, responded to questions from Commissioner Albro as to some employees working a 75-hour pay period and others working an 80-hour pay period. For overtime compensation which may be paid to non-exempt employees, staff clarified that there are attempts to minimize overtime costs as much as possible.

Ms. McClellan also responded to Commissioner Albro's question related to Paid Time Off (PTO) accrual amounts which are allowed.

Commissioner Tarleton stated that she wants to be sure that the Port's salary and benefits package allows the hiring managers the ability to hire people who will allow the Port to succeed.

Mr. Buchanan responded to a question from Commissioner Bryant as to the differences between pay-for-performance and the increase to salary ranges.

Commissioner Creighton raised the possibility of raising the salary ranges by 1% at this time to match the amount the Port is below market now and revisiting that amount mid-year after further analysis. Craig Watson, General Counsel, stated that this idea would need some review, as there is a limitation to adjusting pay midway through a year.

Mr. Buchanan stated that staff has begun working on a new "Total Rewards Philosophy" and that the Executive team is engaged in this endeavor, which will begin next month. It will be a broad strategic view of how Port employees are compensated.

Commissioner Creighton noted his continuing concerns with the state of the economy, but also is encouraged that both represented and non-represented employees were willing to address necessary cuts in the recent past.

Commissioner Albro reiterated his belief of the importance of maintaining a very strict discipline to our compensation programs.

**Motion to amend the proposed pay range adjustment from 2% to 1% - Albro**

**Second - Bryant**

Commissioner Creighton suggested it might be helpful for staff provide a briefing mid-year in terms of where the Port stands versus the market related to pay issues.

**Motion on amendment failed by the following vote:**

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

**Opposed: Creighton, Holland, Tarleton (3)**

**Motion for Resolution No. [3647](#), Second Reading and Final Passage – Holland**

**Second – Tarleton**

**Motion carried by the following vote:**

**In Favor: Albro, Bryant, Creighton, Holland, Tarleton (5)**

- d. (01:38:49) Resolution No. 3645, Second Reading and Final Passage. 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.

**Public Hearing  
Second Reading and Final Passage**

Request documents: Commission agenda [memorandum](#) dated November 12, 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 the first briefing to the Commission took place in June and was followed by a number of additional public meetings.

A summary of the 2011 proposed operating budget was provided, as well as a more comprehensive budget summary with further information related to both revenues and expenses. Mr. Tong noted that no changes had been made to the proposed budget since what was discussed in late October.

Mr. Tong also reviewed the total amounts for the 2011 Capital Budget, both for Committed and Business Plan Prospective projects, noting the total as \$385 million. He then briefly reviewed the 5-year Capital spending plan by division (2011-2015).

Mr. Tong then stated that the 2011 tax levy is proposed to remain at \$73.5 million, and noted that the maximum levy is estimated to be \$88.3 million. He also clarified that the estimated year end levy fund of \$13 million excludes \$13 million in the Transportation and Infrastructure Fund.

**Motion for Resolution No. 3645, Second Reading and Final Passage – Tarleton**

**Second – Creighton**

Commissioner Bryant then declared the meeting a Public Hearing, and comment was received from the following individuals:

- Fred Felleman, Friends of the Earth. Mr. Felleman stated that he would like to have a better understanding of the amount of money noted in the budget for non-operating environmental expenses and public expense. He also noted his concern on remaining issues related to the Cruise MOU.
- M.C. Halvorsen, citizen. Ms. Halvorsen commented on the collection of the tax levy, stating her belief that the amount proposed is not justified and that she does not understand how the amount is decided, or how it will be spent.
- Bruce Carter, Municipal League Foundation Board, Port of Seattle Committee Chair. Mr. Carter commended the Commission for keeping a careful eye on costs, while trying to compete. He also commended them on the policy of not investing outside of the core mission. He also noted his ongoing concern in the area of Real Estate, and pieces of Port property which remain vacant.

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

Commissioner Tarleton encouraged CEO Yoshitani and the business managers to focus on finding new sources of revenue over the next five years, and also to get as many of the capital projects as possible on contract this year. She commented on the importance of getting jobs and taxes into the local economy as much as possible in 2011.

**Resolution No. [3645](#), Second Reading and Final Passage, adopted by the following vote:**

**In Favor: Albro, Bryant, Creighton, Holland, Tarleton (5)**

**7. STAFF BRIEFINGS**

**a. (02:17:52) Monthly Briefing – Update on the Consolidated Rental Car Facility (CRCF) Program**

Presentation documents: Commission agenda [memorandum](#) dated November 5, 2010, informational [attachment](#), and computer slide [presentation](#) from Michael Ehl, Director, Airport Operations; George England, Program Leader, Project Management Group; and Janice Zahn, Assistant Director, Engineering Construction Services.

Presenters: Mr. England and Ms. Zahn

Ms. Zahn provided updated information on the CRCF construction, noting that during October there were an average of 290 workers between the Rental Car Project and the Offsite Roads Project. She stated that construction of the Rental Car Project is approximately 75% complete and 20% complete on the Offsite Roads. She commented on reaching the milestone of providing over one million work hours.

Related to schedule, Ms. Zahn stated that the recent snowy weather had impacted work at the RCF, which is currently about 30 days behind.

Mr. England then provided updated information on design elements of the Project, noting that the meeting with the rental car industry in October was successful, with a review of full-size signage mock-ups. It was decided that additional signage will be needed.

Related to the budget, Mr. England also pointed out a typo in the presentation, clarifying that the amount shown for RCF contingency as \$111 million is actually about \$11 million.

**b. (02:32:52) Briefing on Port of Seattle Police Department (POSPD) participation in the FBI's Operation Cross Country**

Presentation document: Commission agenda [memorandum](#) dated November 16, 2010 from Colleen Wilson, Chief of Police, Port of Seattle Police Department

Presenters: Chief Wilson and Detective Josh Landers

Chief Wilson provided background information on "Operation Cross Country," a Federal Bureau of Investigation (FBI) enforcement action which is part of a national initiative to recover children who are victimized by prostitution. Recently, six members of the POSPD participated in partnership with the FBI agents and other local police agencies in this effort.

Commissioner Albro suggested that perhaps it would be good to further promote, in Port facilities, awareness of how people might be able to access help should they find themselves in this type of a difficult situation.

**Pre-Brief**



Dan Burke, Regional Transportation Planner, commented on an item related to the South Park Bridge Interlocal Agreement (ILA), which will be coming forward on the December 7 Commission meeting agenda. He noted that staff will be requesting authorization for the CEO to execute an ILA with King County for the South Park Bridge Replacement Project. If authorized, the ILA will commit the Port to providing \$5 million in construction funding and property easements for the bridge.

Commissioner Bryant requested that at the December 7 meeting, staff include an updated status of the City's agreement with the County and what the City is doing in terms of its budgeting.

**8. NEW BUSINESS**

Public comment was received from the following individual:

- Kevin Williams, Excalibur Limousine, LLC. Mr. Williams spoke about his company which runs two SUV's that run on pure bio-diesel fuel. He noted that he would like to see ground transportation at the Airport have more focus on green vehicles.

**9. POLICY ROUNDTABLE**

None.

**10. ADJOURNMENT**

There being no further business, the regular meeting was adjourned at 11:42 a.m.

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

Tom Albro  
Assistant Secretary