

PORT OF SEATTLE
MEMORANDUM

COMMISSION AGENDA
ACTION ITEM

Item No.: 5g

Date of Meeting: December 7, 2010

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TO: Tay Yoshitani, Chief Executive Officer

FROM: Craig Watson, General Counsel

SUBJECT: Settlement agreement resolving the matter of Navlet v. Port of Seattle, a class action lawsuit filed by former employees of the Port of Seattle warehouse seeking continuing health and welfare benefits.

Amount of This Request: \$9,000,000.00

ACTION REQUESTED:

Authorization for the Chief Executive Officer to enter into a settlement agreement resolving the matter of Navlet v. Port of Seattle, a class action lawsuit filed by former employees of the Port of Seattle warehouse seeking continuing health and welfare benefits.

BACKGROUND:

The Port closed its warehouse operation in 2003, terminated the employees, and subsequently terminated the Health and Welfare Trust covering the former employees. A class of former warehouse employees took issue with the Port's decision to terminate medical benefits for current and future retirees in the employee group.

After the claim was dismissed at the trial court level the class appealed directly to the Washington Supreme Court, and substantially prevailed on appeal. On remand from the Washington Supreme Court there were a number of important issues to be resolved regarding class membership and level of benefits, among others.

The parties agreed to mediate the matter on November 29, 2010, and while no result was obtained that day the parties continued to negotiate and have now come to agreement on a settlement in the amount of Nine Million Dollars (\$9,000,000.00). Of this amount approximately \$4 million represents past due amounts for the cost of coverage for the period 2003 – 2010. The remainder is the estimated cost of future medical benefits for the class for the lifetime of the class members.

Both the firm of Davis Wright Tremaine and the Port's General Counsel recommend the settlement as reasonable and justified under the circumstances.