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APPROVED MINUTES
COMMISSION REGULAR MEETING AUGUST 2, 2011

The Port of Seattle Commission met in a regular meeting Tuesday, August 2, 2011, at Port of Seattle Headquarters, Commission Chambers, 2711 Alaskan Way, Seattle, Washington. Commissioners Albro, Bryant, Creighton, Holland, and Tarleton were present. Commissioner Tarleton participated via telephone and GoToMeeting® web conferencing.

1. CALL TO ORDER

The regular meeting was called to order at 1:10 p.m. by Bill Bryant, Commission President.

2. EXECUTIVE SESSION pursuant to RCW 42.30.110

None.

PLEDGE OF ALLEGIANCE

3. APPROVAL OF MINUTES

None.

4. (00:01:11) SPECIAL ORDER OF BUSINESS

a. The Port Centennial 1911-2011.

Presentation document(s): Commission agenda memorandum dated July 27, 2011, and computer slide presentation provided by Jane Kilburn, Director of Public Affairs.

Commissioner Bryant presented the Centennial moment for August, which focused on the importance of international trade through the Port's history. In 2010, more than $22.7 billion, or 53 percent of total waterborne commerce, flowed between the Port and China, and cargo valued at $6.4 billion, or 15 percent, of the Port's total cargo was shipped from or destined for Japan. Asian imports included furniture, machinery, toys, clothing, and footwear. The Port's exports included many products grown or manufactured in Washington state, including animal feed, hay, fruits, vegetables and other foodstuffs, and logs and other forestry products.

Commissioner Bryant noted that as the closest U.S. port to Asia, Seattle is truly "The Green Gateway" because the Port offers the lowest carbon footprint for shipments from Asia to middle America and the East Coast. The Port also offers excellent flight and air cargo service to Asia, including nine airlines that offer passenger service to Asia. Delta Air Lines has named the Airport its "Gateway to Asia," investing in facilities and routes out of the Airport.

5. (00:03:20) UNANIMOUS CONSENT CALENDAR

a. Authorization for the Chief Executive Officer to advertise and execute a major construction contract for the Tyee Valley Golf Course Area Mitigation, adjacent to Seattle-Tacoma International Airport. The amount of this request is $691,000 of a total project cost of $800,000 (CIP #C800420, WP #104423).

Request document(s): Commission agenda memorandum dated July 26, 2011, and attachment provided by Elizabeth Leavitt, Director of Aviation Planning and Environmental Services, and Wayne Grotheer, Director of Aviation Project Management Group.

b. Authorization for the Chief Executive Officer to execute a contract with an insurance brokerage firm for the purpose of procuring property insurance for the Port over a three-year period with two one-year extension options. The procurement of property broker services insurance for the three years plus the two one-year renewal options is estimated at $550,000. The selection of the brokerage firms will utilize a competitive process.

Request document(s): Commission agenda memorandum dated July 26, 2011, provided by Jeff Hollingsworth, Risk Manager.

c. Authorization for the Chief Executive Officer to execute an easement agreement with the City of Seattle that is needed to partially meet conditions imposed by the City for the vacation of streets at the Port of Seattle's former Terminal 105 property.

Request document(s): Commission agenda memorandum dated July 25, 2011, map, and a copy of the easement agreement with exhibits A-D provided by Michael Burke, Director of Leasing and Asset Management, and Mike Kriston, Seaport Real Estate Specialist.

d. Authorization for the Chief Executive Officer to execute an agreement with General Recycling of Washington LLC (GRW) wherein the Port will agree to transfer to GRW the right the Port of Seattle has to a reduced-cost street vacation of West Marginal Way S.W. and S.W. Idaho Street, diligently pursue and satisfy any remaining conditions relating to obtaining the street vacation, pay administrative costs in the amount of

$300, and pay escrow fees estimated to be $3,000 in exchange for GRW's payment of $500,000.

Request document(s): Commission agenda memorandum dated July 25, 2011, and transfer agreement between the Port and GRW, including Exhibit A, provided by Michael Burke, Director of Leasing and Asset Management, and Mike Kriston, Seaport Real Estate Specialist.

Motion for approval of consent items 5a-5d – Creighton

Second – Albro

Motion carried by the following vote:

In Favor: Albro, Bryant, Creighton, Tarleton (4)

Absent for the vote: Holland

6. DIVISION, CORPORATE, AND COMMISSION ACTION ITEMS

a. (00:04:35) Century Agenda Committee: Presentation and Discussion on Five-Year Milestones.

Request document(s): Commission agenda memorandum dated July 27, 2011, and computer slide presentation provided by Linda Styrk, Managing Director of the Seaport Division; Mark Reis, Managing Director of the Aviation Division; and Jane Kilburn, Director of Tourism Development.

Presenter(s): Ms. Kilburn, Mr. Reis, and Ms. Styrk.

Mr. Reis presented the five-year milestones to reach the goal to fully meet the region's air transportation needs for the next 25 years, which include the following:

- Completing the updated the master plan for the Airport;
- Incorporating into the Airport's plans appropriate expectations regarding commercial passenger through-put at other airports in the Puget Sound market, particularly Paine Field, Everett, Washington;
- Using passenger processing technology to increase terminal throughput capacity, such as the technology used by Alaska Airlines; and
- Completing the evaluation of the feasibility of an on-airport hotel.

In response to Commissioner Creighton, Mr. Reis stated that any change to passenger processing would require airline cooperation. Mr. Reis noted that there are six pods through which passengers are processed, one of which is used by Alaska Airlines to process approximately 50 percent of the Airport's passengers. He stated that not all the pods would be able to use the same technology Alaska uses, but, if the technology were used in more pods, it would increase terminal capacity.

The milestones to meet the 25-year goal to make Seattle-Tacoma International Airport the West Coast "Green Gateway of Choice" for international travel include the following:

- Complete “mid-term” improvements in international arrivals facility to increase hourly capacity from 1200 to 1600 passengers;
- Complete planning and design and begin construction on a new or expanded international arrivals facility; and
- Complete baggage system improvements to reduce minimum connection time for arriving international flights. (The minimum connection time is an official number assigned to an airport that the airlines use to determine the interval between flights when booking a passenger.)

Commissioner Tarleton asked what the hourly capacity currently is at the international arrivals facility. Mr. Reis responded that he believes it was designed for 900, but has been augmented to handle more than that. Commissioner Tarleton noted that she wants to make sure that the expanded improvements meet all future goals, not just current demand. Commissioner Albro asked how supportive the airlines are to FIS improvements. Mr. Reis stated that Aviation Division staff will be looking at a plan of finance and balancing the different sources of funding, adding that it would not be viable to require international airlines to pay for all the improvements. He said the airlines would not want to split the cost evenly, and other sources would need to be considered. He added that grant money would likely not be available.

The last Aviation-related goal is to double the number of international flights and destinations, for which the five-year milestones are the following:

- Attract and help launch new service to Shanghai, Hong Kong, and the Middle East; and
- Attract and help launch additional service in two existing markets.

Ms. Styrk and Ms. Kilburn discussed the five-year milestones for the Seaport 25-year goal to double the economic value of the cruise business to Washington, which are as follows:

- Increase total Seaport cruise passengers to approximately 935,000 by 2016, assuming a three-percent-per-year increase in passengers over the next five years;
- Increase the economic value of cruise traffic to Washington by $85 million. The goal is a four-percent annual increase, which assumes passengers extend stays while in the region and calling of larger cruise vessels at Seattle;
- Retain existing cruise line customers, cruise calls, and vessel utilization levels near 100 percent, and successfully negotiate one new long-term agreement with a cruise line and add one new cruise service;
- Execute Terminal 91 improvements associated with the cruise business, including breasting barges and an additional gangway to support passenger growth;
- Work collaboratively with cruise and tourism partners to identify and develop the Port’s unique opportunity to add to the regional economic value of our cruise business; and
- Market “cruise plus” strategies to entice cruise passengers to increase their visitor spending and to stay more than one night pre- or post-cruise.

Commissioner Albro noted that new vessel fuel emissions standards will make retaining cruise-ship calls a challenge. Ms. Styrk elaborated that there is an Emission Control Area being established by the U.S. Environmental Protection Agency (USEPA) and the Canadian equivalent, that would require cruise ships and certain other vessels within a 200-mile zone off the coast to use low-sulfur fuel. Cruises to Alaska would be in the environmental control area, but cruises that depart to Mexico and other areas would not be, so the competition will be more of a challenge. She added that the regulation will increase the cost to cruise passengers wanting to go to Alaska and explained that cruise lines are working with the federal government to level the playing field. Ms. Styrk noted that the Port is working with the State of Alaska to mitigate the risk as much as possible. In response to Commissioner Creighton, Ms. Styrk stated that the International Maritime Organization regulations going into effect in 2015 will require 0.1 ultra-low diesel fuel, which will create a more equal competitive market.

Ms. Kilburn noted that the milestones for the goal to be a catalyst for establishing this region as a premier destination for tourists from Asia, Europe, and other targeted international areas are the following:

- Increase tourism to this area from existing markets in Asia and Europe by 20 percent;
- Identify and deploy strategic outreach and communications to at least three new target markets, in support of Aviation marketing; and
- Increase participation in tourism promotion by partners by 50 percent.

Commissioner Holland asked about the plans for expanding into the Middle East. Mr. Reis noted a difference between airline and tourism markets and explained that a direct flight into the Middle East would be reflective of the Indian tourism market. Commissioner Albro noted that the Port should identify ways to capitalize on the synergy between the areas of seaport, aviation, and tourism. Mr. Yoshitani acknowledged Commissioner Albro's challenge, and also noted that Gary Locke is now the Ambassador to China, and one of the Ambassador's responsibilities is dealing with visa issues, which is an impediment to bringing tourists from China and India into the United States. Mr. Reis stated that the cross-divisional working relationships can be straightforward, and staff is aware and work closely together. Ms. Styrk also noted that there is communication between staff.

In response to Commissioner Albro, Ms. Kilburn noted that it is important to find the balance between promoting tourism and increasing participation from others across the state, while still maintaining the Port's primary functions. Ms. Styrk added that the Port tries to complement what is already available regarding tourism in hopes of finding a unique niche. Commissioner Bryant noted that the Port is unique as it runs the Airport and the cruise terminals.

No final action was taken upon conclusion of discussion on presentation item 6a.

b. (00:58:07) Discussion on determining Century Agenda Committee preliminary goals arising from the "Attracting Next Generation Industries" Roundtable.

Request document(s): Commission agenda memorandum dated July 27, 2011, provided by Tom Barnard, Research and Policy Analyst.

Presenter(s): Mr. Barnard.

Mr. Barnard stated that there was not an obvious goal that emerged from the “Attracting Next Generation Industries” Century Agenda Panel. Issues examined included the following:

- To what kind of ventures should the Port provide assistance?
- How does the Port provide value to emerging businesses without over-extending the Port financially?
- What is the potential impact on the community and private sector if the Port becomes more aggressive in assisting entrepreneurs?
- What is the Port’s relationship to other economic development entities, such as the Puget Sound Regional Council, the Prosperity Partnership, and EnterpriseSeattle?

Commissioner Albro noted that other ports do not focus just on cargo, but on how they can boost the local economy. He asked whether the Port should play a similar role, since Seattle has a more vibrant economy than most of those ports.

Commissioner Creighton noted that several ideas came up in the discussion that have potential as preliminary goals, but that there are concerns with all of them, and they require a unique set of circumstances, such as using the foreign trade zone. Commissioner Holland remarked that there are already programs in the community to promote economic development, such as enterprise zones, noting that Bothell has been marked as an enterprise zone for biomedical manufacturing, and the Foreign Trade Zone will be able to help such enterprises. He suggested finding such programs and seeing if the Port can contribute, noting that not everyone is aware that the Port encompasses all of King County, not just Seattle.

Commissioner Tarleton suggested looking at what needs to be done to make sustainable manufacturing in an urban metropolis a reality in 25 years. Commissioner Holland suggested the Port design a program to help individuals learn how to ship products overseas. Mr. Barnard suggested looking at that with regards to the Port’s small business assistance that the Office of Social Responsibility provides. Mr. Yoshitani stated that even venture capitalists specialize in one area, and the Port should take a lesson from that and pick an area to focus on. The Port should ask what the biggest payoff the Port can get for the money that the Port is able to spend, and it should relate to something Port is already involved in. Commissioner Albro concurred and suggested deferring any action to another time.

No final action was taken upon conclusion of discussion on presentation item 6b.

c. (01:28:40) Authorization for the Chief Executive Officer to execute the following agreements: (1) Twelfth Amendment to the Terminal 46 lease between the Port of Seattle and Total Terminals International LLC; (2) Term Lease Agreement between the Port of Seattle and Washington State Department of Transportation at Pier/Terminal 46 North; and (3) Term Lease Agreement between the Port of Seattle and Washington State Department of Transportation (WSDOT) at Terminal 106.

Request document(s): Commission agenda memorandum dated July 27, 2011, provided by Michael Burke, Director of Leasing and Asset Management, and Michael Campagnaro, Manager of Leasing and Asset Management. Also provided was an aerial photo of T-46, an aerial photo of

T-106, a copy of the proposed twelfth amendment to T-46 lease with Total Terminals (TTI), a copy of the proposed term lease with WSDOT at T-46, and a copy of the proposed term lease with WSDOT at T-106.

Presenter(s): Mr. Burke and Mr. Campagnaro.

Mr. Burke noted that the action requested involves three lease agreements related to the Alaskan Way Viaduct Replacement Bored Tunnel project in downtown Seattle. TTI, the tenant at Terminal 46, is giving up five acres of land, enabling the State contractor to use barges to transport construction material to and from the project site, thereby reducing the traffic impact on the road systems significantly. The State would be required to make improvements to the Terminal to help offset the loss of land.

Commissioner Albro noted that although the rent is reduced for TTI, it does not completely mitigate the loss of the land that the terminal operator was using for a productive purpose, and that is why WSDOT is making improvements to the terminal. In addition, removing the truck trips also reduces the cost of the project.

Commissioner Bryant clarified that the agreements would be executed substantially as drafted and stated that, unless there are significant changes, further Commission approval would not be necessary.

Motion for approval of item 6c, substantially as drafted – Albro

Second – Creighton

Motion carried by the following vote:

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

7. STAFF BRIEFINGS

a. (01:38:27) Terminal 91 Strategic Planning Briefing.

Presentation document(s): Commission agenda memorandum dated July 14, 2011, computer slide presentation, and attachment 1, attachment 2, attachment 3, and attachment 4 provided by Eric Hanson, Manager of Seaport Planning, and Mark C. Griffin, Director of Real Estate Development.

Presenter(s): Mr. Hanson and Mr. Griffin.

Mr. Griffin stated that currently Terminal 91 has several uses including the following:

- Fishing fleet;
- Cruise operations;
- Cold storage and fish processing;
- Manufacturing; and

- The Uplands are used for short-term purposes such as net repair and school bus storage.

He stated that the planning process began by defining the guiding principles, which are rooted in the Century Agenda discussions. They include the following:

- Ensuring the accommodation of the expansion of core maritime industrial tenants;
- Attracting new industrial tenants to the site;
- Identifying financially feasible approaches to any Port investment in the site; and
- Incorporating sustainable development principles into future development.

Mr. Griffin reported that policy questions include discussion of the appropriate level of Port investment in new infrastructure; the balance between creating jobs, environmental stewardship, and the Port's financial goals; and how new investment would be funded.

Mr. Hanson noted the planning strategy involved accommodating existing tenants who have expressed a need to expand, and consolidating footprints and potential relocations. This strategy resulted in identification of six areas on the site, which he described in detail. Mr. Hanson stated that any major development would require utility improvements, which would happen north of the bridge, and would include, among other things, a new road network; an integrated stormwater system; and upgrades to the electrical substations. He estimated the utility improvements would cost between $20-24 million.

Mr. Griffin noted the following regarding potential uses for the zone north of the bridge:

- Investment in the area north of the bridge would at best break even if the site were developed;
- A warehouse was considered for the tank farm area, but that location has environmental contamination, and any Port-constructed facility would not break even;
- A land-only lease might be the most financial feasible option for this area; and
- Another option would be a parking garage to support cruise operations.

Commissioner Albro asked if the same benefits of a land-only lease could be achieved through covenants if the property were sold. Mr. Griffin responded that there are not any deed or title restrictions that would prevent the Port from selling. Commissioner Tarleton asked if the options took into consideration the Shoreline Master Plan. Mr. Hanson stated that the plan would meet the stormwater regulations that are currently in place, but for the areas north of the bridge the Shoreline Master Plan does not apply. He explained that developments in the shoreline zone would be water-related uses that will meet the requirements of the new Shoreline Plan. Commissioner Albro asked about the new roadway system that would be developed and how it would connect to other roadways. Mr. Griffin noted it would connect to an existing road that is currently gated due to an agreement the Port has with the Neighborhood Advisory Committee (NAC). The development plan assumes that the gate will be open, which is an item that will need to be discussed with the NAC.

Mr. Hanson described opportunities for the West Yard, south of the bridge, noting the following:

- The highest and best use for the West Yard would be commercial office space, but demand for new office space is not anticipated for 5-7 years;
- Office space not related to an industrial use would require zoning modifications; and
- Financial analysis showed a land-only lease would provide positive revenue.

Commissioner Holland asked if there was any consideration given to using the land as a park, which could at a later date be converted to another use. Mr. Griffin responded that the Port is in discussions with the City of Seattle Parks and Recreation Department for a potential land swap for the parcel that includes discussions for an expanded park. Port staff plan a future briefing for the Commission on the potential land swap.

Mr. Hanson described the shortfill area south of the bridge, noting the following:

- The area might be well suited for a parking garage with office space above and a new industrial building;
- Development would require creating more land in the shortfill area; and
- The cost estimate for development is $96 million.

Regarding Pier 90 south of the bridge, he made the following observations:

- Berths 6 and 8 are the only timber-supported apron structures on the facility and are limited in their use as a result;
- Potential use of the site would require rebuilding berths 6 and 8 and reconstructing a warehouse that would have to be torn down to rebuild the berths; and
- Once rebuilt, additional cold storage could be built to meet the expansion needs of current tenants.

Mr. Hanson reviewed four options for the site as a whole, highlighting the options' relative cost to the Port. In response to Commissioner Albro, Mr. Griffin stated that the research and development facility presented in option 4 was meant to illustrate the size of the parcel and its capacity to support a big user in that area and does not represent a specific development proposal. Mr. Griffin stressed that the numbers are currently high-level estimates. He explained that the options preserve as much flexibility as possible given the zoning requirements of the sites. Mr. Hanson stated that any new development would require upgrades to meet stormwater requirements. Mr. Griffin noted that all the options have a negative return, which increases with the size of Port investment.

Mr. Griffin discussed the option of maintaining the current status of the site, noting the following:

- The best use for the site is open storage, which requires minimal investment and for which there is demand;
- The site currently provides positive financial return; and
- The site could attract new industrial uses, but would have to be priced competitively compared to land outside Seattle, whereas the appraised land value in Seattle is significantly higher than surrounding areas.

Mr. Griffin discussed the next steps, noting that outreach to the public will continue and there will be additional analysis performed.

b. (02:39:55) Second Quarter Financial Performance Briefing.

Presentation document(s): Commission agenda memorandum dated July 14, 2011, computer slide presentation, and report provided by Dan Thomas, Chief Financial and Administrative Officer, and Michael Tong, Corporate Budget Manager.

Presenter(s): Mr. Tong; Borgan Anderson, Senior Manager of Aviation Finance and Budget; Boni Buringrud, Manager of Seaport Finance and Budget; and Ralph Graves, Managing Director of Capital Development Division.

Port-wide Overview

Mr. Tong provided a Port-wide overview of the second quarter noting the following:

- Aeronautical revenues are higher than 2010, but below budget;
- Other operating revenues are lower than budget, but higher than 2010;
- Operating expenses are higher than last year, but lower than budget;
  - The Port Centennial, terminal realignment, and American Association of Port Authorities Annual Convention in Seattle contributed to the increased operating expenses; and
- Net income before depreciation is higher than the budget.

Mr. Tong reported on the following major revenue and expense variances:

- Aeronautical revenues are down, which, due to the Airport's cost-recovery model, results in a lower cost per enplanement (CPE) to the airlines;
- Seaport security grants were offset by lower related expenses, resulting in no impact to net operating income (NOI);
- Other operating revenues were $47,000 over budget;
- Payroll costs were under budget; and
- Outside services were under budget mainly due to delays on some projects.

In response to Commissioner Albro, Mr. Tong responded that lower payroll costs were due to vacant positions, delays on Performance Review, Evaluation, and Planning (PREP) submissions, and delays on contractual renegotiations.

Mr. Tong reported on the following year-end forecasts:

- Aeronautical revenues are expected to be $3 million under budget;
- Other operating revenues are forecasting to be $2 million lower than budget, but still $9.3 million above 2010; and
- Total operating expenses are forecasting to be $7.3 million below budget but $25 million above 2010.

The following comprehensive summary was provided:

- Total revenues are $490,000 below budget;
- Total expenses are $32.5 million below budget; and
- Change in net assets were $32 million above budget.

<u>Aviation Division</u>

Mr. Anderson highlighted the performance of the Aviation Division noting the following:

- Enplanements are up 4.9 percent from 2010 and 2011 enplanements are forecasted to grow 3.5 percent over 2010;
- Operating expenses are 9.1 percent below budget;
- Non-airline Net Operating Income (NOI) year-to-date revenues are up 6.4 percent from 2010 but down 1.5 percent from budget;
- CPE is expected to be $12.20 versus a budget of $12.76;
- Nonaeronautical operating revenues are growing in parking, concessions, and "other revenues," which includes taxis and other ground transportation;
- Cost overruns in certain areas are offset by savings elsewhere. Mr. Anderson noted that the Airport has some variable rate debt, which has produced additional savings due to current low interest rates; and
- The Aviation Division expects to spend 83 percent of its capital budget, which is consistent with prior years, but does not necessarily reflect savings in specific projects.

<u>Seaport Division</u>

Ms. Buringrud noted the following highlights for the Seaport Division:

- Twenty-foot equivalent unit (TEU) level is approximately level to 2010 second quarter year-to-date numbers;
- Grain volume is down from 2010, but 10 percent over 2011 budget;
- Cruise is 16 percent favorable to budget due to cruise ships going out over 100 percent full;
- North Harbor Mooring Dolphins are 50 percent leased;
- Of frequent vessel calls, 67 percent are meeting the Northwest Ports Clean Air Standards target;
- NOI is $5 million over budget, due both to revenue and expenses. Container revenue is almost $1 million over budget. In response to Commissioner Creighton, Ms. Buringrud stated that the budget for containers was conservative, so while container volume is slightly down from last year, container income is still above budget;
- Industrial properties have below-budget revenue due to lower rent and concessions rent at Terminal 91, and bulk terminals have lower-than-budgeted volume and lower utility sales;
- The current forecast is for the NOI to be $918,000 above budget; and
- The seaport expects to spend 81 percent of its capital budget.

Real Estate

Ms. Buringrud noted the following Real Estate budget information:

- NOI is forecasted to exceed budget;
- Three capital projects are underway; the Fishermen's Terminal dock fender replacement and Maritime Industrial Center sheet pile replacement are complete; and the Fishermen's Terminal South Wall Replacement project is delayed to the third quarter due to construction difficulties;
- A Request for Proposal was issued for the Tsubota Steel site in February, but none were accepted;
- Real Estate is continuing to develop streamlined procedures and standards to handle the volume of incoming requests for use of the Eastside Rail Corridor;
- Marine Maintenance is continuing with its deferred maintenance reduction program;
- Occupancy at commercial properties is at 90 percent, which is above the Seattle market average;
- Activity at Bell Harbor International Conference Center is below budget, but the forecast is to catch up by the end of the year;
- Fishermen's Terminal occupancy is below the budget target of 83 percent; and
- The Real Estate Division is expected to spend 86 percent of its capital budget.

Commissioner Creighton asked about the performance of Shilshole Bay Marina as an event center, to which Commissioner Tarleton added that she would like to see those numbers separated out at the next briefing

Capital Development Division (CDD)

Mr. Graves demonstrated the new CDD dashboard, and noted that other departments have one as well. In response to Commissioner Creighton, Mr. Graves stated that while the dashboard is publicly disclosable, it is not currently provided on the Port's external website. Mr. Yoshitani noted that staff is looking into making it available externally. Mr. Graves discussed the financial status of the Capital Development Division, noting the following:

- There is no cost growth on five major division projects;
- There has been no growth in construction project schedules;
- Total time to execution of contracts is improving; and
- CDD is under-executing service agreements by about 25 percent, which is reflected in gross operating results.

Corporate Division

Mr. Tong outlined the financial status of the Corporate Division and noted the following:

- Key metrics included responding to 144 public disclosure requests, and over 1200 small businesses were registered on the small business roster;
- All departments were under budget except Labor Relations due to capital charges;
- Major expense variances included savings in payroll due to vacant positions; and
- Miscellaneous expenses include contingency funds.

8. NEW BUSINESS

None.

9. POLICY ROUNDTABLE

None.

10. ADJOURNMENT

There being no further business, the regular meeting was adjourned at 4:32 p.m.

John Creighton
Secretary
Minutes approved: September 27, 2011.