

Commissioners

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



Tay Yoshitani
Chief Executive Officer

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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 JANUARY 4, 2011**

The Port of Seattle Commission met in a special meeting at 1:00 p.m., Tuesday, January 4, 2011 at Port of Seattle Headquarters, Commission Chambers, 2711 Alaskan Way, Seattle, Washington. Commissioners Albro, Bryant, Creighton and Tarleton were present. Commissioner Holland participated by telephone.

1. CALL TO ORDER

The regular meeting was called to order at 12:00 p.m. by Bill Bryant, Chair and President.

2. EXECUTIVE SESSION pursuant to RCW 42.30.110

The meeting was immediately recessed to an Executive Session to discuss legal issues for approximately thirty minutes and reconvened to open public session.

PLEDGE OF ALLEGIANCE

3. APPROVAL OF MINUTES

(00:01:18) Minutes for the regular meetings of October 26 and November 2, 2010, and the special meeting of November 9, 2010. The minutes for the special meeting of June 17-18, 2010, were withdrawn.

Motion for approval of Minutes for October 26 and November 2 – Albro

Second – Tarleton

Motion carried by the following vote:

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

Motion for approval of Minutes for November 9 – Albro

Second – Tarleton

Motion carried by the following vote:

In Favor: Albro, Bryant, Holland and Tarleton (4).

Commissioner Creighton was absent for the November 9 meeting and abstained from the vote.

4. (00:03:13) SPECIAL ORDER OF BUSINESS

a. (00:03:26) Election of Officers for 2011

Commissioner Holland moved the following slate of officers for 2011:

Chair and President – Bill Bryant
Vice-Chair and President – Rob Holland
Secretary – John Creighton
Assistant Secretary – Tom Albro

Second – Creighton

Commissioner Creighton commented that this was a great slate of officers. Commissioner Tarleton thanked Commissioner Bryant for being willing to stand for a third term of office. She commented that the Port was in great shape to move forward and play a role as a regional leader. She thanked Commissioner Holland for being willing to step forward as Vice President and said she supported this slate of officers.

Motion carried by the following vote:

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

Commissioner Bryant gave an overview of the Port's accomplishments and his priorities in 2011.

- Commissioner Bryant thanked his fellow Commissioners for the confidence they have placed in him and commented how well they have worked together for the last two years.
- He noted that the Port has transformed itself over the past 36 months in terms of governance through the Audit Committee and Resolution No. 3605 and by reorganizing departments, reviewing programs, removing the Seaport from the reliance of the property

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- tax levy, cutting the budget by more than 10 percent and payroll by 6 percent, lowering the tax levy and holding it flat, and implementing zero-based budgeting. The Seaport has set an all-time record of cargo volume, the Airport is performing extremely well, the grain terminal is operating well above projections and the cruise terminal set an all-time record. Commissioner Bryant expressed said this is an excellent and enviable position to be in to begin the Centennial year.
- Commissioner Bryant commented that the Centennial year should be a year in which we build upon the previous 36 months of reforms, particularly in three areas: a focus internally on cost, productivity and optimal use of the tax levy; a focus on the environmental challenges, some of which are unfunded mandates, and continue to exert leadership on the cleanup of the Duwamish and Puget Sound that makes scientific, and not just political, sense; and a focus on our transportation infrastructure. The widening of the Panama Canal in 2014 will increase competition not only from ports in British Columbia, but also from ports like Houston, Savannah, Charleston and in Florida. We must compete by having a system to move freight from Seattle over the Cascades to distribution centers in the Midwest. To do so, we must finish SR-509 and SR-167 and deal with \$90 million of deferred maintenance on statewide truck routes. If we do focus on these issues, we will be well positioned for the next 100 years.

b. (00:12:00) The Port's Centennial – 1911 – 2011

Presentation documents: Commission agenda [memorandum](#) dated December 22, 2010, and computer slide [presentation](#) from Jane Kilburn, Director of Public Affairs.

Commissioner Bryant asked Commissioner Tarleton to introduce the Centennial.

Commissioner Tarleton expressed appreciation for all the commissioners, executives and leaders who have served before. The Port is indebted to a broad community of supporters and was led by a Centennial Committee. Commissioner Tarleton thanked the Centennial Committee that was led by Commissioner Tarleton thanked the Centennial Committee that is comprised of Bob Donegan, Pat Davis, Bill Ayer, Megan Lawrence, Bob Watt, Dave Gering, Dave Freiboth, Herald Ugles, Jan Drago, Jan Hendrickson, John Odland, Kim Suelzle, Maud Daudon, Mick McHugh, Kirk Nelson, Pat Jones, Peter Phillips, Pat Fearey, Ray Heacox, Bob Wallace, Skip Kotkins, Stan Barer, Stu Rolfe, Tayloe Washburn and Tom Norwalk.

Commissioner Tarleton introduced Jane Kilburn, who has led the internal team planning for the Centennial, and Nancy Blanton, Manager of Corporate Communications.

Presenters: Ms. Kilburn and Ms. Blanton

Ms. Kilburn provided background on the history of the Port, recognized the core team that has worked on Centennial preparations, mentioned that every month there will be a "Port History Moment" at the first Commission meeting of the month and reviewed the Centennial activities and events that are planned.

Ms. Blanton demonstrated the interactive timeline which is on the Port's external webpage and showed a video clip tracing the history the Port's first dedicated facility, Fishermen's Terminal, which opened in 1914 to the beginning of the Depression.

5. (00:37:40) UNANIMOUS CONSENT CALENDAR

- a. Authorization for the Chief Executive Officer to increase the project budget by \$843,000 to \$2,343,000 for storm water capital improvements in the SDE4, SDS1, SDS4 and SDN1 drainage sub-basins using uncommitted previously authorized funds under the Adaptive Management phase of the Comprehensive Storm water Management Program (CSMP), CIP #102030. No new funding is requested.**

Request document: Commission agenda [memorandum](#) dated December 10, 2010, from George England, Program Leader, Aviation Project Management Group, and Elizabeth Leavitt, Director, Aviation Planning and Environmental Services.

Motion for approval of Consent Item Item 5a -- Tarleton

Second – Albro

Motion carried by the following vote:

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

6. DIVISION, CORPORATE AND COMMISSION ACTION ITEMS

- a. (00:38:26) Motion to form a temporary Century Agenda Committee to further the work of the Century Agenda.**

Request documents: Commission agenda [memorandum](#) dated December 21, 2010, from Tom Barnard, Commission Research and Policy Analyst, and Geri Poor, Regional Transportation Manager; a Seattle Port Commission [motion](#) to create a temporary Century Agenda Committee dated January 4, 2011; and the [Century Agenda](#): Expert Panels' Recommended Guiding Principles, as amended by the Port of Seattle Commission, dated August 4, 2009.

Commissioner Albro introduced Tom Barnard, Commission Research and Policy Analyst, who explained the motion. Mr. Barnard noted that this was a continuation of work on the strategic plan that had begun in 2008. The first stage of the strategic planning work had ended in August 2009 when the Commission adopted the Expert Panels' Recommended Guiding Principles. Work has continued since then, and this motion establishes a temporary Century Agenda Committee to set long-range strategic goals over the next 25 years and actionable goals over the next five years.

Motion for approval of Item 6a – Albro

Second – Creighton

Commissioner Creighton said this is a good structure to move the Century Agenda forward with one or two commissioners to drive the strategic plan and bring it back to the Commission and provide for public input.

Commissioner Albro said that the Centennial Special Order of Business had shown the “size of shoulders we stand on.” This is another time for effective leadership to confront today’s opportunities and threats. The work of the temporary committee will make sure that the goals will affect the strategy over the next 25 years with targets in the next five years. The Century Agenda should lead us into uncharted territory in a successful way and focus on transportation, the environment, competitiveness and more opportunities from Port facilities.

Commissioner Tarleton said she was happy to see this motion and recalled that over 50 volunteers had helped with the Expert Panels. Strategic thinking or envisioning needs many perspectives. The Century Agenda is one way the Commission can show what we do and why the Commission is here to lead the Port.

Motion carried by the following vote:

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

Commissioner Bryant appointed Commissioner Albro to chair the committee and asked for Commissioner Creighton’s participation, as well.

Commissioner Bryant appointed Commissioner Albro to chair the Audit Committee and asked for Holland’s participation, as well.

7. STAFF BRIEFING

a. (00:48:39) Federal and State Government Relations Briefing for 2011.

Request documents: Commission agenda [memorandum](#) dated December 28, 2010, from Patricia Akiyama, Director of External Affairs; Clare Gallagher, State Government Relations Manager; and Ryan McFarland, Policy Analyst and External Affairs.

CEO Yoshitani introduced Patricia Akiyama, Director of External Affairs, and Clare Gallagher, State Government Relations Manager.

Ms. Gallagher discussed the state budget picture and the \$4.6 billion budget gap, Governor Gregoire’s draft budget which contains \$3 billion in budget cuts and no tax increases, and Governor’s proposal to eliminate certain boards and commissions.

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Commissioner Creighton inquired about the proposal to consolidate the Freight Mobility Strategic Investment Board (FMSIB) and the impact of the budget cuts on the Department of Ecology on Port projects. Ms. Gallagher noted that Commissioner Creighton was appointed by the Governor to FMSIB, which has been successful in leveraging funding and that it is in the Port's interest to safeguard it. Commissioner Creighton said FMSIB has provided value by bringing in the private sector and has been key to the success of the state's freight policy. Ms. Gallagher noted that the cuts to the Department of Ecology's budget are part of the across-the-board budget cuts and the transfer of funds from the Model Toxics Control Act (MTCA) is stopgap funding, but the Port has a strong interest in MTCA funding and will see what comes forward. Ms. Gallagher also noted that the elimination of the State Tourism Office is important to the Port.

Ms. Gallagher explained that we are working with other ports and interest groups to make the freight alliance more visible and continue to promote the Port's unique economic development and job creation mission.

Ms. Gallagher thanked the Commissioners for their outreach over the past year and said she would continue to call on Commissioners and the Chief Executive Officer to make calls in Olympia.

Patricia Akiyama reviewed the major federal issues of interest to the Port, including reauthorizations of the Safe, Accountable, Flexible and Efficient Transportation Act: A Legacy for Users (SAFETEA-LU), the Federal Aviation Administration Act and the Water Resources Development Act. She noted that it was likely that the Transportation Investment Generating Economy Recovery Discretionary Grant (TIGER) program would include TIGER III grants. She highlighted the Port's support of green initiatives such as the Diesel Emissions Reduction Act and the Congestion Mitigation and Air Quality (CMAQ) Improvement programs. The Port also plans to continue working closely with Washington's Congressional delegation and plans to continue to provide Congressional staff members with tours and briefings to bring to life the Port's activities.

In response to Commissioner Creighton's question about John Mica, the incoming chairman of the House Transportation Committee, Ms. Akiyama said he wants to move SAFETERA-LU forward but within existing funds. Commissioner Creighton said he supports a user fee, like a container box tax, at the national level, but at the state level, a box tax is counter-productive. He asked whether the Commission should take a leadership role in advocating for national user fees. Ms. Akiyama replied that the U.S. West Coast Collaboration is in agreement on SAFETEA-LU and making strategic investments in freight. Commissioner Tarleton said the ports need to be more forceful in weighing in on the need for a transportation infrastructure network to support the Governor's and President Obama's export initiatives.

Commissioner Creighton asked if the Transportation Security Administration (TSA) planned to do a comprehensive review of which security measures are more effective. Mark Reis, Managing Director, Aviation Division, responded that TSA is doing such a review now and has identified some procedures that can be rolled back, which are primarily invisible to the public but will make it more efficient to operate the Airport. Wendy Reiter, the Director of the Aviation Security Department at Seattle-Tacoma International Airport, is participating in this review.

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Commissioner Tarleton commented that on the need to keep up the pressure for getting matching federal funding for Superfund mandates.

8. NEW BUSINESS

- a. (01:25:07) Motion for the Commission to adopt a modification to the Northwest Ports Clean Air Strategy and stipulate that the Port of Seattle aspire to achieve Clean Air goals by 2015.**

Request documents: Seattle Port Commission [motion](#) to accelerate Seaport clean air goals to 2015 dated January 4, 2011, introduced by Commissioner Gael Tarleton.

Commissioner Tarleton introduced a revised motion based on the motion introduced by Commissioner Holland and discussed at the December 7, 2010, meeting to integrate ideas on the core approach to accelerate the Clean Air Strategy. Since the first phase of the Clean Air Strategy was implemented on January 1, 2011, the Port has seen tremendous success from the Strategy and needs to acknowledge its success to date. Commissioner Tarleton said it is also time to set the next big goal. She developed a draft motion growing out of a meeting that she and Commissioner Holland had with Chief Executive Officer Yoshitani in December 2010 to discuss the next steps in the Clean Air program.

Motion for approval of Item 8a - Tarleton

Second – Holland

Commissioner Creighton said he supported the motion and thanked Commissioners Tarleton and Holland for their hard work on this issue. Commissioner Holland said the motion sets a strong framework and stretch goals, not only for clean trucks but also from a global perspective, and he supported the motion.

Commissioner Bryant thanked Commissioners Tarleton and Holland for their additional work on the motion which was tabled at the December meeting. He had two minor concerns. By moving the goal posts up from 2017 to 2015, we are adding uncertainty through government regulation which is one of the worst things that businessmen have to deal with. He also did not want to get ahead of the air emissions inventory and wanted the data to drive the timeline and goals. He said amending the motion slightly to make it aspirational would ease his concerns. He offered the following friendly amendment to the first paragraph of the motion adding the words “aimed at achieving,” which would then read as follows:

Therefore, the Commission adopts a modification to the Northwest Ports Clean Air Strategy and stipulates that we aspire to achieve our clean air goals by 2015. The Port Commission directs the Chief Executive Officer (“CEO”) to present several options for accelerating the clean air goals articulated in the Northwest Ports Clean Air Strategy, **aimed at achieving** the currently stated clean air goals no later than 2015.

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Commissioner Albro shared Commissioner Bryant's concerns about getting ahead of the emission inventory. While applauding the challenge, the Clean Air program should work with our overall strategies. He said he would support the motion.

Commissioner Creighton agreed that it was a good point to make the motion aspirational. He suggested that the Commission amend the Bylaws to require that motions directing the organization to take action or change policies be introduced at one meeting and voted on at the next meeting. Commissioner Bryant said he had a similar view, but this was not the first time the Commission had dealt with this issue since a motion was tabled in December.

Commissioner Tarleton stated that it is imperative that the Port has a full appreciation of what we are taking on. It is not too big a stretch to see if we can have both clean air and jobs. She accepted Commissioner Bryant's proposed friendly amendment to the motion and believes it will be possible to reach the Clean Air goals in 2015.

Commissioner Holland said it is important to stretch ourselves in a community that stresses environmental protection.

Motion, as amended, carried by the following vote:

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

CEO Yoshitani said he looked at this as a vote of confidence from the Commission and applauded Port staff for its work. He looked forward to the challenge and hopes to find a way to make this a win-win proposal.

He also said he would ask Port staff to brief the Commission at the January 11, 2011, meeting on the implementation of the Drayage Truck Registry program.

Public Comment regarding Item 8a was received from the following individual:

- Fred Felleman, Friends of the Earth. Mr. Felleman expressed concern regarding the fact that cold-ironing was not used at Terminal 91 during the summer 2010, the fuel used by cruise ships when they are not using shorepower, the Cruise Memorandum of Understanding, incineration of sewage sludge from cruise ships and at-berth discharge by cruise ships. Mr. Felleman presented a letter dated January 4, 2011, addressed to the Commissioners and the Chief Executive Officer. A copy of the document is, by reference, made part of these minutes, is marked "[Exhibit A](#)" and is on file in Port offices.

As the incoming Chair of the Audit Committee, Commissioner Albro announced the selection of the new public member of the Audit Committee, Christina Gehrke. Ms. Gehrke is a Certified Public Accountant, a Certified Internal Auditor, a Certified Investment and Derivatives Auditor, and a Certified Forensic Accountant. She is Senior Vice President and Chief Accounting and Administrative Officer of the Federal Home Loan Bank of Seattle. Commissioner Albro also

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announced that the first meeting of the Audit Committee, which normally meets on the first Tuesday of the month at 9 a.m., will meet on January 11, 2011, at 9 a.m. at P-69.

9. POLICY ROUNDTABLE

None.

10. ADJOURNMENT

There being no further business, the regular meeting was adjourned at 3:12 p.m.

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

John Creighton
Secretary