



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 REGULAR MEETING JANUARY 25, 2011**

The Port of Seattle Commission met in a regular meeting at 1:00 p.m., Tuesday, January 25, 2011, at Seattle-Tacoma International Airport, Airport Office Building, International Auditorium – Mezzanine Level South, Seattle, WA. Commissioners Albro, Bryant, Creighton, Holland and Tarleton were present.

1. CALL TO ORDER

The regular meeting was called to order at 12:32 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 real estate and legal risk issues for approximately thirty minutes and reconvened to open public session.

PLEDGE OF ALLEGIANCE

3. APPROVAL OF MINUTES

None.

4. SPECIAL ORDER OF BUSINESS

None.

5. (00:01:45) **UNANIMOUS CONSENT CALENDAR**

- a. **Authorization for the Chief Executive Officer to execute a Memorandum of Lease Termination for Republic Airlines dba Midwest Airlines Signatory Lease Operating Agreement (SLOA).**

Request documents: Commission agenda [memorandum](#) dated January 18, 2011, from James R. Schone, Director, Aviation Business Development and James Jennings, Manager, Aviation Properties. Also provided was a copy of the Memorandum of Lease Termination Signatory Lease and Operating Agreement Republic Airlines dba Midwest Airlines ([Exhibit A](#)).

- b. **Authorization for the Chief Executive Officer to execute this new Memorandum of Understanding between the Port of Seattle and Local #32 to memorialize the Port of Seattle's exemption from specific sections of the outside agreement that confer priority working conditions and benefits to the Shop Steward.**

Request documents: Commission agenda [memorandum](#) dated January 19, 2011, from Lisa Hornfeck, Labor Relations Manager. Also provided was a copy of the [Memorandum of Understanding](#) between United Association Local #32 of the Journeyman and Apprentices of the Plumbing and Pipe Fitting Industry and the Port of Seattle.

- c. **Authorization for the Chief Executive Officer to execute all necessary documents to acquire by purchase King County Parcel 202304-9013 owned by Seattle City Light located at 15002 8th Avenue South, Burien, WA. for \$178,212.00 with a total cost of \$239,212.00.**

Request documents: Commission agenda [memorandum](#) dated January 18, 2011, from James R. Schone, Director, Aviation Business Development and W. Allan Royal, Manager, Port Real Estate Development. Also provided were a vicinity [map](#) and electronic copies of the [Purchase and Sale Agreement](#) for the former Sunnyside Substation, the Phase 1 Environmental Report, the Phase 2 Environmental Report, the MAI Appraisal Report and the [Commitment for Title](#).

- d. **Authorization, by motion, for the Chief Executive Officer to sell and convey Port District personal property of \$10,000 or less in value for 2011 in accordance with RCW 53.08.090.**

Request document: Commission agenda [memorandum](#) dated January 14, 2011, from Craig Watson, General Counsel.

- e. **Authorization for the Chief Executive Officer to authorize both design services and the use of Port Crews in support of the Additional South Satellite Gate Lobby Space Project at Seattle-Tacoma International Airport. This authorization is for \$414,000 if a total estimated project cost of \$1,257,000.**

Request document: Commission agenda [memorandum](#) dated January 18, 2011, from Wayne Grotheer, Director, Aviation Project Management and Mike Ehl, Director, Airport Operations.

Motion for approval of consent items 5a -- 5e – Holland

Second – Albro

Motion carried by the following vote:

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

6. DIVISION, CORPORATE AND COMMISSION ACTION ITEMS

- a. (00:02:56) Request Commission authorization for the Chief Executive Officer to: 1) proceed with the Federal Inspection Service (FIS) Mid-Term Improvements Phase 1 project (CIP C-#800426) for planning and pre-design work in the amount of \$475,000 for this project; and 2) execute a contract for design work related to the FIS Mid-Term Phase 1 Improvement project for an estimated cost of \$3,500,000. No funding is associated with this element of the request. The total estimated project cost for this entire project is \$31,700,000.

Request document: Commission agenda [memorandum](#) dated January 18, 2011, from David Soike, Director, Aviation Facilities and Capital Program; Wayne Grotheer, Director, Aviation Project Management Group; Michael Ehl, Director, Airport Operations; and Elizabeth Leavitt, Director, Aviation Planning and Environmental Services.

Presenters: Nick Harrison, Senior Manager, Airport Operations, and Sean Anderson, Aviation Capital Project Manager

Mr. Harrison explained that the request is for \$475,000 for planning work to determine how capacity demands at the Federal Inspection Services (FIS) facility in the South Satellite Terminal, are met. He explained that all arriving international passengers must pass through the FIS (immigration and customs). International traffic has grown steadily with a sixty percent increase in ten years to 2008, and an increase in international travel is anticipated again in 2011.

The FIS facility is over-capacity. It was originally built to accommodate two or three wide-bodied aircraft, but now six or seven wide-bodied aircraft arrive during the hour-long peak period. The lack of capacity causes two problems: 1) the wait time for passengers clearing through FIS is long, so passengers are held on-board aircraft and outbound flights are delayed, which increases airlines' costs and makes the Airport a less competitive gateway; and 2) delayed processing times cause connecting passengers to miss their domestic flights.

Mr. Harrison reported that Port of Seattle staff had consulted with the airlines and come up with four possible solutions: 1) create slot control to restrict the number of aircraft arriving in the terminal during any given time; 2) expand the existing South Satellite Terminal to make a larger

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facility; 3) build an entirely new FIS facility large enough to accommodate a larger number of wide-bodied aircraft; and 4) make improvements within the current FIS facility. The airlines prefer to proceed with the fourth option.

Mr. Anderson said that there is no request for funding at this time, but once the FIS improvement project is ready for design, Port staff will seek funding and authorization for the project. The planning effort is expected to take approximately three to five months to complete.

Commissioner Albro commented that the Airport needs to grow its FIS capacity, and he applauds this request.

Commissioner Creighton stated that the current condition of the FIS facility does not meet our current needs and will not meet our future needs. He inquired whether it makes sense to continue with a mid-term project or should the Port complete a larger FIS facility.

Mr. Harrison answered that the planning done as this part of the project will evaluate capacity versus traffic growth and determine whether it is worth making the investment now in light of the need for a replacement FIS facility.

Motion for approval of Item 6a – Tarleton

Second – Creighton

Motion carried by the following vote:

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

- b. (00:13:13) Authorization for the Chief Executive Officer to: 1) move forward with completing design of the Concourse D Common Use Expansion project at Seattle-Tacoma International Airport as outlined in this memorandum; 2) advertise and execute a major construction contract; 3) execute contracts to purchase seating and passenger processing equipment; 4) execute and/or amend software maintenance contracts for the Concourse D Common Use Expansion project; and 5) utilize Port Crews for abatement and other work. The total amount of this request is \$4,250,000. The total projected program cost is also \$4,250,000. This request seeks a single Commission authorization to move forward with design, advertisement and execution of a major construction contract.**

Request documents: Commission agenda [memorandum](#) dated January 18, 2011, and computer slide [presentation](#) from Michael Ehl, Director, Airport Operations, and Wayne Grotheer, Director, Aviation Capital Improvement Program.

Presenters: Mr. Ehl and Sean Anderson, Aviation Capital Project Manager

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Mr. Ehl explained that Port staff would like to convert Concourse D, where twelve gates for Alaska Airlines have been located since 1992, to a common use facility. The airlines have agreed to this project and to a suite of other projects supporting facility modifications. This request is one of several requests that will be brought to the Commission over the next months as part of the Airline Realignment Program. He explained that because of the recent airline consolidations, such as Northwest Airlines and Delta Air Lines, Frontier Airlines, Midwest Airlines, and Republic Airlines becoming Republic Airlines, the merger of United Airlines and Continental Airlines, and the recently proposed consolidation of Southwest Airlines and Air Tran Airlines, Port staff proposed a one-time airline reallocation project to Alaska Air Group, which is included in the Airline Signatory Lease and Operation Agreement (SLOA). On December 9, 2010, the airlines accepted the proposal, and Port staff provided the airlines with the 120-day advance notice required by the SLOA. Airlines such as Air Tran, Alaska, American, Frontier, Hawaiian, jetBlue, United and Virgin American will be directly impacted by the terminal realignment. The proposed Airline Realignment Program is anticipated to be completed in 2015. Mr. Ehl presented a map demonstrating the realignment.

Mr. Anderson explained that four projects are a part of the Airline Realignment Program:

- Concourse D Common Use Expansion
- Replacement of 15 passenger loading bridges at Concourse D and Concourse B in the North Satellite
- Baggage modifications
- Reallocation capital improvements

Commissioner Bryant inquired about the need to make changes to the baggage system. Mr. Anderson explained that the existing Continental system is the only stand-alone system in the airport and connects to small, outdated baggage screening devices. Connecting the existing system to a C1 system will allow for greater capacity for baggage screening and sorting. American Airlines would use the new baggage makeup device.

Commissioner Creighton asked for clarification on the long-term aviation forecasts and industry changes that indicate why this project is necessary. Mr. Ehl explained that the Alaska Air Group, the Airport's dominant carrier with about 50 percent of the Seattle market, intends to remain an independent company and has decided to concentrate its operations on the North Satellite and Concourse C after being on Concourse D since 1992. The majority of other potential airline consolidations have already occurred. The Airport has been planning for over a decade to build flexible, common use facilities to increase economic viability. Mr. Ehl noted that although the renovation seems expensive at the moment, it will save airlines money in the future. Mr. Anderson noted that Port staff are looking at how other Airport projects may relate to realignment, such as the replacement of the HVAC at the North Satellite.

Commissioner Tarleton asked about plans to make sure the general traveling public knows where to go during construction. Mr. Ehl answered that there will be signage at construction areas and on incoming roads to the Airport and real-time updates available on the website. The Airport is

working toward making the tools available for the passenger to create a personalized, individualized travel experience using real-time information.

Commissioner Tarleton also inquired about how the Airline Realignment Program will affect concession services. She hopes to see a strategic plan addressing this issue. She noted that members of UNITE HERE are in attendance at the meeting.

CEO Yoshitani responded that during realignment projects in previous years, accommodations were made for concession programs. He is confident that this realignment program will be beneficial to concession programs, but the Port should take a look to minimize the impact.

Commissioner Albro encouraged staff to create granularity of opportunity to have concessions reflect our community. He indicated his support for common use facilities and asked if their benefits included improving the user experience, the operational performance of airlines and Airport capacity. Mr. Ehl responded that common use facilitates all of those objectives. He explained that Port staff is taking a holistic approach to realignment and wants to integrate technology and customized personal travel. The Airport's 2011 Business Plan and Initiatives are designed to make sure capacity and customer service requirements are met. Mr. Anderson noted that as part of the realignment, some projects, such as passenger loading bridges, will need a single authorization, as is being requested with Concourse D, to meet the schedule and airline requirements.

Commissioner Tarleton commented that she agrees with single authorization so long as it is within the scope of the authorization, it is reported in the project quarterly status report, and it follows the notification requirements of Resolution No. 3605. Resolution No. 3605 is being reviewed in 2011 and may be changed.

Motion for approval of Item 6b – Tarleton

Second – Albro

Motion carried by the following vote:

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

- c. (00:40:55) **Authorization for the Chief Executive Officer to amend the Walker Parking Consultants (Walker) Professional Service Agreement up to \$350,000 for design support during construction and provide notification to the Port of Seattle Commission in accordance with RCW 53.19.060 that the amended amount exceeds 50% of the original contract not to exceed the value of \$100,000.00. With the execution of this amendment, the value of the Walker Agreement would be \$31,486,610 (corrected value is \$31,468,000) and the completion date would be extended to July 31, 2012. No new funding is requested to amend this Agreement as funds have been previously authorized in the Rental Car Facility (RCF) program budget.**

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Request document: Commission agenda memorandum dated January 14, 2011, from Nora Huey, Director, Central Procurement Office, and George England, Program Leader, Aviation Capital Improvement Program. ***A corrected copy of the [memorandum](#) with the correct value of the Walker Agreement was subsequently substituted on the agenda.***

Presenter: Mr. England

Mr. England explained that the request is to amend the current Walker contract to provide design support during the Off-Site Roadway Improvement (ORI) road construction project to complete the roadway improvements as part of the Rental Car Facility program. ***A correction was made to the value of the Walker Agreement stated in the Action Requested section of the memorandum. Mr. England stated that the correct value is \$31,468,610.***

Commissioner Albro asked for the rationale for the budget increase of the contract which was originally \$100,000. Mr. England explained that the project had begun before September 11, 2001. The original contract had been initiated in 2004 with a maximum value of \$15 million, but the five stops, re-starts and delays caused budget to increase over the years. In response to Commissioner Albro's question, Mr. England noted that the Commission memorandum incorrectly states on page 1 that the contract was executed in the fall 2001.

Commissioner Holland suggested delaying the vote until another meeting, but Mr. England expressed concern that delaying the vote will impact contractors and submittals for the ORI construction since authorized funding is almost expended.

Commissioner Tarleton provided some history of contracting for the project and said that she would like the project to stay on schedule. Since the contract was originally signed, Resolution No. 3181 has been replaced by Resolution No. 3605, and new contracting mechanisms are in place. This contract was discussed as part of the original Turner contract. The Walker contract has been visible. She noted that the ORI project is generating many jobs in King County.

CEO Yoshitani thanked Commissioner Tarleton for her historical perspective on the Walker contract and said it straddled an awkward period. He suggested that Port staff prepare a report in anticipation of any future audits to document the project's history and share with Commissioners. Commissioner Tarleton recommended including the contracting policies in effect at various times in the report. Commissioner Bryant also asked to include how the contract would be handled differently today. He said he resented being asked to vote on an item without being able to delay it for further consideration because the item was not brought to the Commission earlier.

Motion for approval of Item 6c – Albro

Second – Holland

Motion carried by the following vote:

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

- d. (00:55:13) Authorization for the Chief Executive Officer to execute (i) a Temporary Construction Easement (TCE) granting the City of Seattle the right to use portions of Elliott Bay Park during construction of its West Thomas Street Overpass Project for an estimated ten months beginning in April 2011; and (ii) a Memorandum of Agreement (MOA) with the City of Seattle providing for certain improvements to Elliott Bay Park as consideration for the Port granting the Temporary Construction Easement. The cash value of the TCE is estimated at approximately \$120,000, and the cost of the park improvements to be provided by the City of Seattle is estimated at \$150,000 to \$200,000.

Request documents: Commission agenda [memorandum](#) dated January 19, 2011, from Lindsay Pulsifer, General Manager, Marine Maintenance, and Gary Lee, Marine Facilities Maintenance Manager. Also provided were a copy of the [Memorandum of Agreement](#) between the City of Seattle and the Port of Seattle for the West Thomas Street Overpass Project, the [Temporary Construction Easement](#) and a [drawing](#) of proposed easement route through Elliott Bay Park.

Presenters: Ms. Pulsifer and Mr. Lee

Ms. Pulsifer explained that in 2004 the City of Seattle determined it wanted to provide better pedestrian access to Myrtle Edwards Park. This request is to grant the City of Seattle an easement providing access for trucks and construction equipment through Elliott Bay Park to come from the north end of the grain terminal. The City of Seattle will provide all of the repairs and will add to the amenities in the park at the end of the project.

Commissioner Tarleton expressed concern about the Centennial bike rally being held on June 5, 2011, and wanted to be assured that it will be safe for the public during the construction. Ms. Pulsifer explained there will be traffic control and accommodation in the park during the bike rally, and there is a new area provided for bike traffic.

Motion for approval of Item 6d – Tarleton

Second – Creighton

Motion carried by the following vote:

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

- e. (01:00:20) Resolution No. 3648. First Reading. Authorizing the issuance and sale of General Obligation (G.O) Taxable Bonds and 2011 Refunding Bonds in an amount estimated at \$117 million (including cost of issuance).

Request documents: Commission agenda [memorandum](#) dated January 12, 2011, from Elizabeth Morrison, Senior Manager, Corporate Finance. Also provided was a copy of [Resolution No. 3648](#).

Presenter: Ms. Morrison

Ms. Morrison explained that General Obligation bonds are secured by and paid from the Port of Seattle's tax levy. The bonds are being sold primarily to achieve debt service savings on some existing bonds and, secondarily, to provide bridge funding for a portion of the cost of the Eastside Rail Corridor. The bonds will be issued in two series. One series is the refunding series, which will refund bonds that were originally issued in 2000 and help achieve debt service savings. There are currently \$80.8 million of these bonds outstanding. These are private activity bonds and are exempt from federal income tax but subject to the Alternative Minimum Tax. The second series is the taxable series, which will assist in the funding of the Eastside Rail Corridor. There are approximately \$30 million of these bonds outstanding.

Ms. Morrison also explained that the Resolution allows for the designated Port representative (the Chief Executive Officer or the Chief Financial Officer) to approve the sale of the bonds within the parameters set in the Resolution. The parameters include the maximum size of \$117 million, a minimum savings of 3.75% for the refunding series, and a maximum interest rate of 4.5% for the taxable series. The Resolution also delegates that the designated Port representative be allowed to approve agreements and pay the cost of issuance as necessary. The delegation expires in six months.

The bonds are being sold by the Port of Seattle's finance department. Barclay's Capital and Seibert Brandford Shank will be co-senior managers, Goldman Sachs and Morgan Stanley will be co-managers, Seattle Northwest Securities is the Port of Seattle's financial advisor, and K&L Gates is in the Port's bond counsel.

Dick Schober from Seattle Northwest Securities explained that the market has been in decline with rates increasing because of an oversupply of issuances and a lack of demand. Although there has been significant outflow from the municipal bond market, there has been an increased stability in the market and a decrease in volume recently. The Port's high credit rating should attract market interest.

Commissioner Albro asked how the Port will know when the appropriate time to sell the bonds at the target rates will be. Ms. Morrison said that the finance team and Seattle Northwest Securities will monitor the market daily and won't go to market unless the rates are right.

Commissioner Creighton said he supported the Resolution. Commissioner Bryant asked how much the Port had achieved in debt service savings as a result of the two refundings that the Commission approved in 2010 plus this refunding. Ms. Morrison said the last year's refunding of Airport bonds saved the airlines \$15 million. Refunding of Passenger Facility Charge bonds saved \$14.7 million for airline passengers. Refunding these General Obligation bonds is expected to save \$3 million.

Motion for approval of Item 6e – Tarleton

Second – Albro

Motion carried by the following vote:

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

- f. (01:15:19) Resolution No. 3649. First Reading. Declaring surplus and no longer needed for Port District purposes approximately 3,350 square feet, 25 feet in width, of Port-owned real property formally owned by BNSF, commonly known as Woodinville Subdivision, located in Bellevue, Washington, and authorizing the Chief Executive Officer to execute all documents necessary to transfer title of the property to plaintiffs Ao-Zhou via quitclaim deed as part of settlement of an adverse possession lawsuit filed on December 11, 2009.**

Request documents: Commission agenda [memorandum](#) dated January 18, 2011, from Craig Watson, General Counsel. Also provided was a copy of [Resolution No. 3649](#) and three exhibits: Exhibit A (legal description of BNSF/Port Property); Exhibit B (legal description of Adverse Possession Property); and Exhibit C (Map of Adverse Possession Property).

Presenter: Mr. Watson

Mr. Watson explained that the ownership of this small parcel is in dispute, and litigation has been underway for some time. An agreement has been reached with the plaintiffs to settle the matter by executing a quitclaim deed. The request is to pass Resolution No. 3649 on First Reading in order to surplus the property and complete settlement of the litigation.

Commissioner Albro asked if there are other similar encroachments along the Corridor. Mr. Watson said there are some encroachments, but none of this significance. He noted that the Corridor is not a uniform 100-foot wide along the Corridor but narrows at points and has pinch points.

Commissioner Creighton asked if this would be the first of many adverse possession lawsuits. Mr. Watson stated that this is the only lawsuit that was filed before the Port purchased the Corridor. The Port has surveyed the Corridor, and there are no major encroachments along it.

Commissioner Albro stated he does not believe it is in the public's best interest to allow an individual to gain adverse possession of the property. The Eastside Rail Corridor ("Corridor") is more valuable intact. He said he would vote against the Resolution although he recognized that litigating the claim involves more legal costs and the Port may not prevail. He asked if BNSF has an obligation to assist the Port in defending the lawsuit. Mr. Watson responded that BNSF was litigating the matter before the sale of the Corridor and had provided extensive documentation. The Port had also consulted with BNSF on the lawsuit to determine if BNSF had information the Port could use in its defense.

Mr. Watson said in his legal opinion the best course of action for the Port is to settle the lawsuit.

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Commissioner Tarleton requested information from Port staff regarding permit documentation from the plaintiffs. Port staff will submit the information in the near future.

Joe McWilliams, Director of Real Estate for the Port of Seattle, explained that there are 800 to 900 known easements along the Corridor, and some of the county property records documents are from the 1800s and may not be legible. We have physically inspected the Corridor, and there is inventory from the railroad.

Motion for approval of Item 6f – Tarleton

Second – Holland

Motion carried by the following vote:

In Favor: Creighton, Holland, Tarleton (3)

Opposed: Albro, Bryant (2)

Commissioner Creighton was absent from the meeting after this point.

- g. (01:33:41) Authorization for the Chief Executive Officer to execute a contract for medical claims administration services related to the self-funded Port sponsored medical plan. The contract will have a maximum value of \$7,000,000 and a maximum term of five years. The Port plans to enter into an initial agreement for three years with an option for two one-year extensions. The Port requires this agreement to manage the Port sponsored self-funded medical plan.**

Request document: Commission agenda [memorandum](#) dated January 14, 2011, from Tammy Woodard, Senior Manager, Total Compensation.

- h. (01:34:39) Authorization for the Chief Executive Officer to execute a contract for dental claims administration services related to the self-funded Port sponsored dental plan. The contract will have a maximum value of \$650,000 and a maximum term of five years. The Port plans to enter into an initial agreement for three years with an option for two one-year extensions. The Port requires this agreement to manage the Port sponsored self-funded medical plan.**

Request document: Commission agenda [memorandum](#) dated January 14, 2011, from Tammy Woodard, Senior Manager, Total Compensation.

Presenter: Ms. Woodard

Ms. Woodard advised that the Items 6g and 6h are similar so she would discuss them together. On May 11, 2010, the Commission passed Resolution No. 3636 adopting a self-funding model for

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the Port-sponsored non-HMO health plans as a cost containment measure and the Port's medical plan become self-funded on January 1, 2011.

To facilitate the transition to self-funding, the Commission approved a competition exemption which permitted the Port to contract with its former insurance companies, Premera and Washington Dental Service, for medical and dental services in 2011 only. Port staff is researching to find a standard competitive procurement process to select a claims administrator to provide medical and dental claims administration services in 2012.

Commissioner Tarleton inquired about who will run the procurement process that will be used to solicit bids. Ms. Woodard explained that the Central Procurement Office will be solicit the bids, and Brian Knight will be Project Manager, but she would manage the contracts. Commissioner Tarleton stated that she wants to make sure that there is a strong competitive process when the contracts are put out to bid. Many companies should be interested in bidding on this contract. The winning provider should provide top-notch services.

Motion for approval of Item 6g – Albro

Second – Holland

Motion carried by the following vote:

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

Commissioner Creighton was absent for the vote.

Motion for approval of Item 6h – Albro

Second – Tarleton

Motion carried by the following vote:

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

Commissioner Creighton was absent for the vote.

i. (01:40:28) Request Commission authorization of the 2011 International Travel Plan.

Request document: Commission agenda memorandum dated January 7, 2011, from Mary Gin Kennedy, Director of Commission Services. ***A corrected copy of the [memorandum](#) dated January 26, 2011, adding Europe as a destination in the 2nd quarter was subsequently substituted on the agenda.***

Presenter: Ms. Kennedy

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Ms. Kennedy stated that Resolution No. 3195 requires that at the beginning of each year, the Commission must authorize potential, envisioned international travel for meetings and other business. She noted that the memorandum should include Europe as an additional possible destination in the 2nd quarter in addition to England and Scotland.

Commissioner Tarleton noted for the public that the Director of Commission Services provides this memorandum of authorization in case such travel occurs, but there are not necessarily confirmed plans to travel.

Motion for approval of Item 6i – Tarleton

Second – Albro

Motion carried by the following vote:

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

Commissioner Creighton was absent for the vote.

7. STAFF BRIEFING

a. (01:43:29) Monthly briefing: Update on the Consolidated Rental Car Facility (RCF) Program.

Request documents: Commission agenda [memorandum](#) dated January 10, 2011, and computer slide [presentation](#), from Michael Ehl, Director, Airport Operations; George England, Program Leader, Project Management Group; and Janice Zahn, Assistant Director of Engineering Construction Services. Also provided as [Attachment A](#) was a copy of the Rental Car Facility briefing update.

Presenters: Ms. Zahn and Mr. England

Ms. Zahn summarized the status of construction work on the RCF project and stated that construction is over 80% complete with 250 workers on site daily and 1.1 million work hours have been expended. It has been 963 days since the contract was awarded. The offsite roadway improvement (OSI) project is one-third complete. There is a typographical error on page 2 of Attachment A. There are 15, not 240, workers, on site at the OSI project. Port staff is ready to issue the Notice to Proceed on the Bus Maintenance Facility (BMF). Contaminated and unsuitable soil has been found at the OSI site, and Port staff will return soon to the Commission for approval of a Change Order to cover the additional costs to remove and dispose of the soil.

The contractor working on the RCF is 22 days behind schedule and is slowly getting back on schedule. The OSI project is right on schedule and may be completed early.

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One large claim has been received and other claims are expected, but there is an unallocated balance of \$8.8 million to offset the negative construction contingency. Commissioner Bryant asked for Port staff to provide a review of the information showing how additional costs have trended over the past few months.

Mr. England reported that Port staff is working on additional signage. The Main Terminal Improvements design is 60% complete, and the Commission will be asked to authorize construction in March. Customer Facility Charges are about \$600,000 ahead of projection.

8. NEW BUSINESS

(02:00:35) Public comment was received from the following individuals:

- Stefan Moritz, Strategic Affairs Director of Affairs from Unite Here, wanted to start a dialogue with the Commission about the lack of job security and protection for Airport food service employees and to provide personal stories by the hospitality workers.
- Peter Diaz, Executive Vice President and Organizing Director for UNITE HERE Local 21, wanted to make sure the concerns of Duty Free employees were heard and considered.
- Lavonne McGahee, a food services concessions employee at the Airport, has been employed by HMS Host for almost sixteen years and wants to ensure that her job is secure.
- Julie Williams, a concessions employee at the Airport, has worked at the airport for 23 years and wants to retire at the Airport. She advised that, despite the impression that food concessions jobs are high turnover, there are many food service employees who have worked at the Airport for 20 or 30 years and even some who have worked at the Airport since 1968.
- Lourdes B. Barredo, an HMS Host employee, shared that she has been employed by HMS Host since 1992 and would like to continue to work at the Airport.
- Justine Iereneo, an HMS Host employee, expressed her concern about her job security and medical benefits.
- Erik Von Rossem, Executive Officer of UNITE HERE, would like the jobs at the airport to be protected by instituting worker retention and labor peace policies and would like to see a smooth transition to new contractors.

9. POLICY ROUNDTABLE

None.

10. ADJOURNMENT

There being no further business, the regular meeting was adjourned at 3:22 p.m.

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

John Creighton
Secretary