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APPROVED MINUTES COMMISSION SPECIAL JOINT MEETING JULY 28, 2015

The Port of Seattle Commission met in a special joint meeting with the Port of Tacoma Commission Tuesday, July 28, 2015, at Port of Seattle Headquarters, Commission Chambers, 2711 Alaskan Way, Seattle, Washington. Port of Seattle Commissioners Albro, Bowman, Bryant, and Creighton were present. Port of Tacoma Commissioners Bacon, Johnson, Marzano, Meyer, and Petrich were also present. Port of Seattle Commissioner Gregoire did not attend.

CALL TO ORDER

The meeting was called to order at 9:40 a.m. by Port of Seattle Commission Co-President Stephanie Bowman, who led the Flag Salute.

Without objection, the Commissioners advanced to consideration of –

EXECUTIVE ADVISORY COUNCIL

Port of Tacoma CEO John Wolfe reported on meetings with key industry stakeholders on the subject of a multi-sector approach to operational excellence. Initiatives identified will be brought forward in the Northwest Seaport Alliance business plan. Mr. Wolfe noted the goal for the alliance to be recognized as the easiest, most efficient, and most reliable place for shippers to do business. He commented on development of performance measures driven by customer expectations. Metrics noted included measures touching schedule integrity, vessel productivity, crane productivity, container velocity, truck productivity and gate turns, rail dwell time, and the time between discharging a container from a vessel to the point when it arrives at a destination warehouse.

Commissioner Petrich commented on the affinity of cargo processing transparency for trucking companies and popular traffic applications as an extension of that transparency to the regional transportation network.

FINAL AGREEMENT ACTIONS

Tom Tanaka, Senior Counsel, Port of Seattle, and Carolyn Lake, Goodstein Law Group, representing the Port of Tacoma, provided an overview of pending actions to formalize creation of the Northwest Seaport Alliance on August 4, 2015. Presentation slides provided at the meeting are attached as minutes [Exhibit A](#) and are available for public review. A series of actions by the separate port authorities and additional actions to be taken jointly as an alliance of managing members were summarized. It was reported that measures to be approved include an interlocal agreement between the Ports of Seattle and Tacoma, a port development authority charter, a license agreement authorizing joint alliance management of assets owned by the two ports, an interlocal agreement providing for loaning of port employees to the alliance (secondment), alliance

managing member bylaws, and an alliance CEO contract. Also to be approved are appointment of an alliance records officer, treasurer, claims officer, and auditor.

Commissioners discussed the appropriate sequence of events for approval of an alliance CEO contract with respect to formal approval to form the alliance and whether the port development authority charter and master delegation of authority to the alliance CEO should be considered as a single action.

Commissioner Meyer commented on the importance of alliance staff from either port and requested a communication plan to ensure staff are kept fully informed on alliance organizational developments. Commissioner Petrich noted a similar interest on behalf of port tenants.

DRAFT MANAGING MEMBER BYLAWS

Mr. Tanaka and Ms. Lake summarized key provisions of the proposed Northwest Seaport Alliance Bylaws. Presentation slides and a draft of the bylaws provided at the meeting are attached as minutes [Exhibits B](#) and [C](#), respectively, and are available for public review. Commissioner Bowman commented that the current bylaws of both ports are already very similar. Commissioner Johnson pointed out that the managing members would be able to amend the alliance bylaws at any time as need arises.

It was noted that the provision for joint alliance presidents makes no specific accommodation for the unique dynamics associated with the Port of Seattle's current governance of co-presidents. Which co-president of the Port of Seattle serves in turn as joint alliance president would be an autonomous matter for the Port of Seattle. There was a discussion of the terminology of a chair versus a president in the context of the Seaport Alliance.

Commissioner Creighton commented on the makeup of the alliance audit committee and the eventual need for an alliance audit committee charter.

Provisions allowing for dual voting of the individual port commissions in the context of alliance meetings were described.

There was a discussion regarding alliance regular meeting dates.

NORTHWEST SEAPORT ALLIANCE BUDGET PROCESS OVERVIEW

Erin Galeno, Chief Financial and Administrative Officer, Port of Tacoma, and Dan Thomas, Chief Financial Officer, Port of Seattle, presented a summary of the 2016 Northwest Seaport Alliance budgeting process, including schedule, business plan development, and capital plan development. It was reported that the aim is to develop a budget document that can serve essentially as an insert to each homeport's more comprehensive budget document. It was noted that the initial working capital contribution from each homeport is currently planned to equal six months of alliance operating expenses. The 2016 budget is planned to be approved in October 2015.

PUBLIC COMMENT

Public comment was received from the following individual(s):

- Fred Felleman, Northwest Consultant for Friends of the Earth, regarding concerns over lack of specific environmental goals at this stage of development of the Northwest Seaport Alliance.

- Goodspaceguy, King County resident, regarding the benefits of competition between the Ports of Tacoma and Seattle and his opposition to the Northwest Seaport Alliance.

ADJOURNMENT

There was no further business, and the meeting adjourned at 10:50 a.m.

Stephanie Bowman
Secretary

Minutes approved: February 9, 2016.