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**APPROVED MINUTES  
COMMISSION SPECIAL MEETING SEPTEMBER 22, 2015**

The Port of Seattle Commission met in a special meeting Tuesday, September 22, 2015, at Port of Seattle Headquarters, Commission Chambers, 2711 Alaskan Way, Seattle, Washington. Commissioners Albro, Bryant, Creighton, and Gregoire were present. Commissioner Bowman was absent. Commissioner Creighton participated by telephone until 1:55 p.m.

**1. CALL TO ORDER**

The meeting was called to order at 10:57 a.m. by Commissioner Bill Bryant.

**2. EXECUTIVE SESSION pursuant to RCW 42.30.110**

The public meeting was immediately recessed to an executive session estimated to last 60 minutes to discuss three matters relating to litigation and legal risk. Following the executive session, which lasted approximately 55 minutes, the public meeting reconvened at 12:15 p.m., chaired by Commission Co-President Gregoire.

**PLEDGE OF ALLEGIANCE**

*A recording of this part of the meeting has been made available online.*

**3. SPECIAL ORDERS OF BUSINESS**

**3a. September 22, 2015, CEO Report.**

Chief Executive Officer Ted Fick commented on improving the Port's workplace safety performance, the Veterans internship program, and improving efficiencies through use of continuous process improvement initiatives.

*A recording of this part of the meeting has been made available online.*

**4. UNANIMOUS CONSENT CALENDAR**

*[Clerk's Note: Items on the Unanimous Consent Calendar are considered routine and are not individually discussed. Port Commissioners receive the request documents prior to the meeting and may remove items from the Consent Calendar for separate discussion and vote in accordance with Commission bylaws.]*

*Upon request, agenda items 4c and 4f were removed from the Unanimous Consent Calendar for separate discussion and vote.*

- 4a. Approval of the minutes of the regular meetings of February 24, August 4, and August 11, and the special meeting of July 28, 2015.
- 4b. Approval of the [Claims and Obligations](#) for the period August 1-August 31, 2015, in the amount of \$46,170,060.43 including accounts payable check nos. 905972-906462 in the amount of \$4,850,276.55; payroll check nos. P-180399-180565 in the amount of \$8,176,443.96; wire transfers in the amount of \$12,843,717.48, and EFTs in the amount of 20,299,622.44, for a fund total of \$46,170,060.43.

*As noted above, the following agenda item –*

- 4c. Authorization for the Chief Executive Officer to execute a contract for federal government relations advocacy services for monitoring of federal legislation and regulatory activity, and acting on behalf of the Port at the Port's direction. The proposed contract term is a one-year contract with two, one-year options for an estimated total cost of \$720,000. *[temporarily postponed]*

*– was temporarily postponed.*

- 4d. Authorization for the Chief Executive Officer to execute a contract for state government relations advocacy services for monitoring of state legislation and regulatory activity, and acting on behalf of the Port at the Port's direction. The proposed contract term is a one-year contract with three, one-year options for an estimated total cost of \$360,000.

Request document(s) included a Commission agenda [memorandum](#).

- 4e. Authorization for the Chief Executive Officer to advertise for bids, award, and execute a major works construction contract to construct the Airport's South 160th Street Ground Transportation Lot project site improvements, for an estimated amount of \$455,000 and a total authorization of \$2,095,000. (CIP #C101107)

Request document(s) included a Commission agenda [memorandum](#).

*As noted above, the following agenda item –*

- 4f. Authorization for the Chief Executive Officer to (1) execute a design contract and prepare design and construction bid documents for the Concourse C new power center project at Seattle-Tacoma International Airport and (2) authorize the use of Port crews for preliminary work in support of this project. The total value of this request is \$1,900,000 of an estimated total project cost of \$10,500,000. (CIP #C800724). *[temporarily postponed]*

*– was temporarily postponed.*

- 4g. Authorization for the Chief Executive Officer to execute a contract to provide TSA-mandated background checks for badged employees. The total estimated value of this request is \$3.1 million for a seven-year contract (one base year with six one-year options).

Request document(s) included a Commission agenda [memorandum](#) and badging [projections](#) through 2022.

**The motion for approval of consent items 4a, 4b, 4d, 4e, and 4g carried by the following vote:**

**In favor: Albro, Bryant, Creighton, Gregoire (4)**

**Absent for the vote: Bowman**

*As noted above, agenda items 4c and 4f were removed from the Consent Agenda for separate discussion and vote.*

*A recording of this part of the meeting has been made available online.*

## **5. PUBLIC TESTIMONY**

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

- Fred Felleman, Northwest Consultant for Friends of the Earth, regarding environmental credentials for Port lobbyists in connection with agenda item 4c and energy generation, including solar collectors, at the Airport in connection with agenda item 4f.
- Brian Surratt, City of Seattle Office of Economic Development, regarding a Seattle Heavy Haul Corridor to facilitate freight movement and provide for road impacts.
- Kurt Beckett, Deputy CEO, Northwest Seaport Alliance, in support of negotiations with the City of Seattle on establishment of a Heavy Haul Corridor.
- Jay Long, General Manager, Swissport Fueling, in support of Airport Jobs.
- Keith Weir, Board Chair of ANEW (Apprenticeship and Non-Traditional Employment for Women), in support of a continued relationship between ANEW and the Port of Seattle.
- Marques Warren, Vice President, Warren's News and Gift, in support of Port Jobs. Mr. Warren submitted written material, which is included here as minutes [Exhibit A](#) and is available for public review.
- Heather Worthley, Executive Director, Port Jobs, in support of a contract extension for Port Jobs and the competitive service procurement described in agenda item 6a.
- Jordan Royer, Vice President, Pacific Merchant Shipping Association, in support of establishment of a City of Seattle Heavy Haul Corridor.
- Al Muehlenbruek, PCC Logistics, in support of establishment of a Heavy Haul Corridor.
- Chris Moesh, PCC Logistics, in support of establishment of a Heavy Haul Corridor.
- Conor Farley, PCC Logistics, regarding the business advantages of establishing a Heavy Haul Corridor.
- M.C. Halvorsen, Bayer Towing and Pacific Pile, who spoke in opposition to the Port's habitat plan for the Duwamish River.
- Max Heigh, Filo Foods, regarding the need for lease accommodations subsequent to implementation of the City of SeaTac's new \$15/hour minimum wage ordinance.

*A recording of this part of the meeting has been made available online.*

**ITEMS REMOVED FROM THE CONSENT AGENDA**

*The Commission advanced to the following agenda item, which was removed from the Unanimous Consent Calendar for separate discussion and vote, as noted above –*

- 4c. Authorization for the Chief Executive Officer to execute a contract for federal government relations advocacy services for monitoring of federal legislation and regulatory activity, and acting on behalf of the Port at the Port's direction. The proposed contract term is a one-year contract with two, one-year options for an estimated total cost of \$720,000.**

Request document(s) included a Commission agenda [memorandum](#).

Presenter(s): Beth Osborne, Federal Government Relations Manager.

Ms. Osborne described the issues that the Port advocates for at the federal level and noted that the Government Relations team updates the Commission in public annually on its legislative agenda and provides regular legislative updates in public periodically.

**The motion for approval of agenda item 4c carried by the following vote:**

**In favor: Albro, Bryant, Creighton, Gregoire (4)**

**Absent for the vote: Bowman**

*A recording of this part of the meeting has been made available online.*

*The Commission advanced to consideration of the following agenda item, which was removed from the Unanimous Consent Calendar for separate discussion and vote, as noted above –*

- 4f. Authorization for the Chief Executive Officer to (1) execute a design contract and prepare design and construction bid documents for the Concourse C new power center project at Seattle-Tacoma International Airport and (2) authorize the use of Port crews for preliminary work in support of this project. The total value of this request is \$1,900,000 of an estimated total project cost of \$10,500,000. (CIP #C800724).**

Request document(s) included a Commission agenda [memorandum](#) and presentation [slides](#).

Presenter(s): Mike Tasker, Capital Program Leader, Aviation Project Management Group, and Denise Dennis, Senior Aviation Infrastructure Engineer, Aviation Facilities and Infrastructure.

It was reported that staff considers various opportunities to reduce energy consumption at the Airport, including potential installation of solar panels. It was noted that the distribution capability provided for in agenda item 4f would be needed whether solar panels were used or not. Reasons for not strongly advocating for installation of solar panels at the Airport in the past were discussed.

Commissioners requested clarification on the timing for considering alternative power sources and commended staff for actively seeking to incorporate alternative power sources in the past.

**The motion for approval of agenda item 4f carried by the following vote:**

**In favor: Albro, Bryant, Creighton, Gregoire (4)**

**Absent for the vote: Bowman**

*A recording of this part of the meeting has been made available online.*

**6. DIVISION, CORPORATE, AND COMMISSION ACTION ITEMS**

- 6a. Commission authorization (A) To exercise its authority under RCW 53.19.020(5) and determine that a competitive solicitation process is not effective or cost effective and authorize the CEO to execute an amendment to the current Port Jobs contract for an estimated value of \$438,000 and total contract value of \$4,058,581.68 and extend it for up to six months; and (B) for the CEO to (1) execute a contract for the administrative oversight, management and implementation of day to day operations of the Seattle Tacoma International Airport Employment Center in the amount of \$4,425,000 for a two-year term with three one-year options; and (2) execute a contract for the development and initial implementation of career advancement programs (career pathways) in the Airlines and other airport-related industry in the amount of \$175,000 for a one-year term.**

Request document(s) included a Commission agenda [memorandum](#) and presentation [slides](#).

Presenter(s): David McFadden, Managing Director, Economic Development, and Marie Kurose, Workforce Development Program Manager, Office of Social Responsibility.

Commissioners requested clarification and offered direction on workforce development efforts and the funding of those efforts. Commissioners opined on the rationale for the waiver process under RCW 53.19.020(5).

**The motion for approval of agenda item 6a carried by the following vote:**

**In favor: Albro, Bryant, Creighton, Gregoire (4)**

**Absent for the vote: Bowman**

*A recording of this part of the meeting has been made available online.*

- 6b. Motion of the Port of Seattle Commission regarding the remediation of the Lower Duwamish Waterway for the benefit of local communities, waterway users, and the environment.**

Request document(s) included a Commission agenda [memorandum](#), [motion text](#) and statement in support of the motion, and presentation [slides](#).

Presenter(s): Stephanie Jones Stebbins, Director, Maritime Environmental and Planning, and Kathy Bahnick, Manager, Environmental Programs, Maritime.

The full text of the proposed motion reads as follows:

**The Port of Seattle supports moving cleanup actions in the Lower Duwamish Waterway forward in an expeditious manner that reduces environmental risk to affected communities, such as South Park, Georgetown, fishers and Tribal communities, as quickly as possible.**

**The Port of Seattle supports the choice of cleanup technologies based on information from studies concluded prior to and during the remedial design phase of the cleanup effort, including information on waterway uses and the results of pre-design sampling and environmental evaluations. Appropriate cleanup technology choices will ensure the cleanup's long term effectiveness and permanence while also achieving cleanup goals as quickly as possible and minimizing short-term impacts to affected communities, businesses and the environment.**

**The Port of Seattle will continue its participation in the EPA-led outreach efforts to local communities and interests concerning the implementation of EPA's Lower Duwamish Site Record of Decision in order to assist EPA in ensuring that information concerning Lower Duwamish remediation is effectively shared with all affected communities and interests.**

**The Port of Seattle will continue its source control efforts to assist in reducing contaminant inputs to the Lower Duwamish in order to facilitate the effective implementation of the Lower Duwamish cleanup.**

**The motion to support moving cleanup actions in the Lower Duwamish Waterway forward in an expeditious manner as listed above for agenda item 6b carried by the following vote:**

**In favor: Albro, Bryant, Creighton, Gregoire (4)**

**Absent for the vote: Bowman**

*A recording of this part of the meeting has been made available online.*

**6c. Motion of the Port of Seattle Commission to temporarily suspend Resolution No. 3694 pending clarification of Washington State Supreme Court Case No. 89723-9. Following clarification from the Court on the motion filed on September 9, 2015, the Commission will address discrepancies between the City of SeaTac's Ordinance Setting Minimum Employment Standards for Hospitality and Transportation Industry Employers (SeaTac Ordinance 13-1020) and the Port's Resolution No. 3694. [subsequently amended]**

Request document(s) included a Commission agenda [memorandum](#), text of the [motion](#), [SeaTac Ordinance 13-1020](#), [Washington Supreme Court Opinion No. 89723-9](#), and [motion for clarification](#).

Presenter(s): Craig Watson, General Counsel.

The Port Commission adopted Resolution No. 3694, related to safety and security at Seattle-Tacoma International Airport and associated employment standards, in 2014. The Washington Supreme Court handed down a ruling on August 20, 2015, on an appeal of the City of SeaTac

Ordinance 13-1020, upholding the City's minimum wage for certain employees in SeaTac to \$15/hour. The resolution and the ordinance overlapped in their raising a clarification motion, and staff proposed that the Commission temporarily suspend Resolution No. 3694 to avoid confusion for tenants and business partners in the implementing of the Court's decision.

The Port and other plaintiffs filed a motion for clarification on September 9. The Port has only joined in Section III.B.1 of the motion. The portion of the motion filed September 9 in which the Port has joined does not represent opposition to the Supreme Court ruling or the \$15/hour minimum wage. The Commission respects the Court's ruling, and this is only a request for clarification.

### **AMENDMENT**

Based on Commission discussion, an amendment to the motion text as previously posted publicly was offered and adopted without objection. As amended, the text of the motion now reads as follows:

**The Commission intends to temporarily suspend Resolution No. 3694 pending clarification of Washington State Supreme Court Case No. 89723-9. Suspension of Resolution No. 3694 will become effective following a second vote on this motion at the next Commission public meeting. Following a response from the Court on the motion filed September 9, 2015, the Commission will address discrepancies between the City of SeaTac's Ordinance Setting Minimum Employment Standards for Hospitality and Transportation Industry Employers (SeaTac Ordinance 13-1020) and the Port's Resolution No. 3694.**

It was stated that the additional vote is intended to provide time for further reflection and input.

*[Clerk's Note: To accommodate temporary suspension of Resolution No. 3694 using a motion, rather than another resolution, the Port's resolution record has been modified to include the full text of the amended motion, conditionally adopted as shown below, as an addendum to Resolution No. 3694.]*

**The motion to temporarily suspend Resolution No. 3694 pending clarification of Washington State Supreme Court Case No. 89723-9 as amended and listed above (agenda item 6c) carried conditionally by the following vote:**

**In favor: Albro, Creighton, Gregoire (3)**

**Absent for the vote: Bowman, Bryant**

*A recording of this part of the meeting has been made available online.*

**6d. Authorization for the Chief Executive Officer to sign a Memorandum of Understanding with the City of Seattle to contribute between \$10 million and \$20 million through 2035 for future roadway repair and construction projects located within Seattle's Heavy Haul network to benefit the movement of cargo within the Seattle harbor.**

Request document(s) included a Commission agenda [memorandum](#), [City of Seattle draft ordinance](#), heavy haul corridor [map](#), and [memorandum of understanding](#).



Presenter(s): Mike Merritt, Chief of Staff, Office of the Commission.

It was reported that a City Council bill to create a heavy haul network, including a memorandum of understanding with the Port of Seattle to implement a heavy haul corridor has been reported favorably out of committee and is now pending Seattle City Council approval. The heavy haul corridor would allow drayage drivers to transport cargo at higher weights than are currently permitted on Seattle's surface streets. Routes would be designated for such traffic and resources would be dedicated for special maintenance needs associated with freight traffic. The Port and City would jointly agree to the routes chosen, and the Port would contribute up to \$20 million over 20 years for construction-related costs.

Commissioners stated their support for the heavy haul network to bring Seattle into alignment with Tacoma and other West Coast ports, which will help attract more cargo to our gateway. Creation of the network will also greatly reduce risk of overweight citations for truck owners. However, they expressed concern about continued expectations for Port of Seattle financial contributions to Seattle and other local transportation projects.

**The motion for approval of agenda item 6d carried by the following vote:**

**In favor: Albro, Bryant, Creighton, Gregoire (4)**

**Absent for the vote: Bowman**

*A recording of this part of the meeting has been made available online.*

*Commissioner Creighton was absent after 1:55 p.m.*

## **7. STAFF BRIEFINGS**

### **7a. 2015 Second Quarter Capital Improvement Projects Report.**

Presentation document(s) included a Commission agenda [memorandum](#), [quarterly report](#), and presentation [slides](#).

Presenter(s): Ralph Graves, Senior Director, Capital Development.

A report on the status of capital projects in the second quarter of 2015 was provided to Commission. Variances to schedule or budget were noted. A creative solution for baggage scanner placement that avoided excessive operational impacts to the Airport and airlines was highlighted.

*A recording of this part of the meeting has been made available online.*

### **7b. 2016 Corporate Budget Briefing.**

Presentation document(s) included a Commission agenda [memorandum](#) and presentation [slides](#). An additional FTE summary was submitted on the day of the meeting. It is attached as minutes [Exhibit B](#) and is available for public review.



Presenter(s): Dan Thomas, Chief Financial Officer; Michael Tong, Corporate Budget Manager; Ralph Graves, Managing Director, Capital Development; Peter Garlock, Chief Information Officer; Kim Albert, Assistant Director, Information and Communication Technology – Business Services; and Dave Caplan, Senior Director, Strategic Initiatives.

The proposed budget for 2016 affecting the Corporate Division was presented. Organizational realignments affecting the distribution of services among various departments and divisions were noted. The methodology for establishing the baseline budget was reviewed. A list of new budget additions was provided.

Commissioners expressed interest in understanding the plan for CPI and how the new activities advance the initiative. Projects underway with the Lean consulting firm in the Aviation division were listed. The nature of opportunities being discovered was outlined generally. Commissioners provided direction on inclusion of funding for strategic initiatives in the 2016 budget.

The presentation on the Capital Development budget was postponed to a subsequent meeting.

*A recording of this part of the meeting has been made available online.*

## **8. ADDITIONAL NEW BUSINESS**

Additional public comment was received from the following individual(s):

- Deanna Zachrisson, former Port employee, regarding the circumstances of her separation from employment
- Elaine Lincoln, former Port employee, regarding the circumstances of her separation from employment. Ms. Lincoln submitted written materials, which are attached as minutes [Exhibit C](#) and are available for public review.
- Janet Yoshikawa, Airport tenant, who commented in support of the Airport Dining and Retail program and Ms. Zachrisson and Ms. Lincoln
- Charlie James, Community Coalition for Contracts and Jobs, who commented unfavorably about the previous testimony and commented on his work over the years against discrimination against African-Americans at the Airport
- Jerrod Stafford, Sugar Mountain, who commended the Airport Dining and Retail program for its support of small business
- Rod O'Neal, Sea-Tac Bar Group, Africa Lounge, who thanked the Commission and CEO for recent action to terminate certain Airport employees
- Abdul Yusuf, for-hire industry, regarding the status of the taxi contract and opportunities for access to the Airport for for-hire drivers
- Chris Van Dyk, transportation network company Q, regarding Puget Sound Dispatch (Yellow Cab's) revenue reporting to the Port. Mr. Van Dyk submitted written materials, which are attached as minutes [Exhibit D](#) and are available for public review.
- Amin A. Shifow, General Manager, Puget Sound Dispatch (Yellow Cab), who commented on his company's openness to account review by Port auditors.

*A recording of this part of the meeting has been made available online.*

**9. ADJOURNMENT**

There was no further business, and the meeting adjourned at 2:45 p.m.

Tom Albro  
Secretary

Minutes approved: November 10, 2015.