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**APPROVED MINUTES
COMMISSION REGULAR MEETING OCTOBER 27, 2015**

The Port of Seattle Commission met in a regular meeting Tuesday, October 27, 2015, in the International Auditorium at Seattle-Tacoma International Airport, Seattle, Washington. Commissioners Albro, Bowman, Bryant, Creighton, and Gregoire were present.

1. CALL TO ORDER

The meeting was called to order at 12:00 noon by Commission Co-President Courtney Gregoire.

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 two matters relating to litigation and legal risk and one matter relating to legal risk and performance of a publicly bid contract. Following the executive session, which lasted approximately 65 minutes, the public meeting reconvened at 1:14 p.m.

PLEDGE OF ALLEGIANCE

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

3. SPECIAL ORDERS OF BUSINESS

3a. October 27, 2015, CEO Report.

Ted Fick, Chief Executive Officer, reported on strong performance of the 2015 cruise season; return of local air service between Sea-Tac Airport and the Port of Moses Lake; progress on implementation of a City of Seattle heavy-haul corridor and federal freight transportation policy; and approval from the Federal Aviation Administration related to development of race-conscious programs for disadvantaged business enterprises at the Airport.

[Clerk's Note: On July 9, 2013, the Commission authorized conducting a disparity study of Port contracting by BBC Research and Consulting. That study was performed in 2014. Its findings preceded FAA approval of race-conscious program goals for disadvantaged business enterprises at the Airport.]

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.]

At the request of Commissioner Gregoire, agenda item 4h was removed from the Unanimous Consent Calendar for separate discussion as described below.

- 4a. Approval of the minutes of the special joint meeting of April 14; special meetings of April 14, July 13, and September 1 and 8; and regular meeting of April 28, 2015.**
- 4b. Approval of the [Claims and Obligations](#) for the period September 1-30, 2015, in the amount of \$48,010,740.91 including accounts payable check nos. 906463-907016 in the amount of \$5,212,097.31; payroll check nos. P-180566-180749 in the amount of \$8,525,446.76; wire transfers nos. 013665-013724 in the amount of \$11,311,999.71; and EFTs nos. 037077-037840 in the amount of \$22,961,197.13 for a fund total of \$48,010,740.91.**
- 4c. Authorization for the Chief Executive Officer to advertise and execute up to three consulting services indefinite delivery, indefinite quantity contracts for infrastructure-related design, construction, and other engineering support services for a not-to-exceed total of \$2,000,000 with a three-year contract ordering period. No funding is associated with this request.**

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

- 4d. Authorization for the Chief Executive Officer to advertise for bids, award, and execute a major works construction contract to repair the Pier 69 roof beams for an estimated cost of \$2,694,000, bringing the total authorization to \$3,024,000. (CIP #C800698)**

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

- 4e. Authorization for the Chief Executive Officer to execute the proposed 2015 Addendum Agreement to the 2014 Duty to Defend Settlement Agreement and Partial Release between the Port of Seattle and GAIC.**

Request document(s) included a Commission agenda [memorandum](#), [settlement addendum](#), [Attachment 1](#), [Attachment 2](#), [Attachment 3](#), and [Attachment 4](#).

- 4f. Authorization for the Chief Executive Officer to execute professional services contracts and prepare design and construction bid documents for the Central Terminal Mezzanine to Ticketing Stair project at Seattle-Tacoma International Airport for \$491,000 of a total estimated project cost of \$2,560,000. (CIP #C800716)**

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

- 4g. Authorization for the Chief Executive Officer to execute a contract to purchase an Aircraft Rescue Fire Fighting Vehicle with a high reach extendable turret for the Port of Seattle Fire Department at Seattle-Tacoma International Airport for an estimated cost of \$1,450,000. (CIP #C800705)**

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

As noted above, the following agenda item –

4h. Authorization for the Chief Executive Officer to execute a contract for up to five-years (1 year initial term with four one-year options) for office supplies. The estimated value is \$1,300,000 for five years. [temporarily postponed]

– was temporarily postponed.

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

In favor: Albro, Bowman, Bryant, Creighton, Gregoire (5)

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):

- Steven Sterne, Keeney's, regarding purchase of office supplies as described in agenda item 4h.
- David Harsila, resident of Shoreline, regarding the Fishermen's Terminal long-term strategic plan.

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

6. DIVISION, CORPORATE, AND COMMISSION ACTION ITEMS **ITEMS REMOVED FROM CONSENT**

The Commission advanced to consideration of the following agenda item(s) removed from the Unanimous Consent Calendar for separate discussion, as noted above –

4h. Authorization for the Chief Executive Officer to execute a contract for up to five-years (1 year initial term with four one-year options) for office supplies. The estimated value is \$1,300,000 for five years. [subsequently laid on the table]

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

Presenter(s): Dave Caplan, Senior Director, Strategic Initiatives.

Commissioners discussed the request's effects on small business participation and requested clarifications and provided direction on that subject. The importance of dealing transparently with small business implications and social and environmental responsibility in agenda memorandums was stressed.

Without objection, further consideration of agenda Item 4h was laid on the table.

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Following consideration of agenda item 4h, the Commission advanced to consideration of –

6a. Authorization for the Chief Executive Officer to execute a contract for external audit services for the financial periods 2016-2020 in an estimated amount of \$3,000,000 for the full contract term. The base contract is one year with four, one-year renewal options.

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

Presenter(s): Rudy Caluza, Director, Accounting and Financial Reporting, and Lisa Lam, Assistant Director, Financial Reporting and Controls Revenues Services, Accounting and Financial Reporting.

Commissioners requested clarification of timelines and provided direction related to small business participation.

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

In favor: Albro, Bowman, Bryant, Creighton, Gregoire (5)

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

7. STAFF BRIEFINGS

7a. Preliminary Tax Levy and the Draft Plan of Finance 2016-2020.

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

Presenter(s): Dan Thomas, Chief Financial Officer, and Elizabeth Morrison, Director, Corporate Finance, Finance & Budget.

Commissioners received a briefing on the Port's 2016 tax levy and draft plan of finance for 2016-2020. Limits and uses of tax levy funding and the effects on Port operational funding resulting from reorganization and implementation of the Northwest Seaport Alliance were described.

Commissioners requested clarification and provided direction on several issues concerning uses of tax levy funding, the process for identifying appropriate use of tax levy funding, programs typically funded by the levy, the relationship of levy funds to the Northwest Seaport Alliance, and historic trends in allocation and actual spending of tax levy funds. Regarding the five-year plan of finance, Commissioners requested clarification and provided direction on financing considerations for capital programs, including aviation and freight mobility projects.

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

7b. 2016 Salary and Benefits Resolution.

Presentation document(s) included a Commission agenda [memorandum](#), presentation [slides](#), and adopted parental leave [motion](#).

Presenter(s): Tammy Woodard, Assistant Director, Human Resources & Development Total Rewards.

Proposals for the 2016 salary and benefits resolution were presented to the Commission. Commissioners offered direction on delegation of authority independent of the Port's General Delegation of Authority, employee input on benefit programs, measurement of performance-based incentives, and non-financial performance incentives. Further public presentation of pay-for-performance program revisions was requested prior to adoption of the salary and benefits resolution.

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

7c. Fishermen's Terminal Long Term Strategic Planning Process Scope and Goals.

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

Presenter(s): Stephanie Jones Stebbins, Director, Maritime Environmental & Planning, and Joseph Gellings, Senior Planner, Maritime.

Commissioners received an update on the long-term strategic planning process for Fishermen's Terminal. Commissioners provided direction on public engagement, the safeguarding of activities that support the fishing industry, and encouragement to think creatively about uses that can provide that support.

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

8. ADDITIONAL NEW BUSINESS – None.

9. ADJOURNMENT

There was no further business, and the meeting adjourned at 3:30 p.m.

Tom Albro
Secretary

Minutes approved: November 10, 2015.