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**APPROVED MINUTES
COMMISSION SPECIAL MEETING NOVEMBER 10, 2015**

The Port of Seattle Commission met in a special meeting Tuesday, November 10, 2015, at Port of Seattle Headquarters, Commission Chambers, 2711 Alaskan Way, Seattle, Washington. Commissioners Albro, Bowman, Bryant, and Gregoire were present. Commissioner Creighton was excused in order to attend to other Port business.

1. CALL TO ORDER

The meeting was called to order at 2:10 p.m. by Commission Co-President Stephanie Bowman.

2. EXECUTIVE SESSION pursuant to RCW 42.30.110

No executive session was convened at this point in the meeting; however, the Commission recessed into executive session later in the meeting as noted below.

PLEDGE OF ALLEGIANCE

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

3. SPECIAL ORDERS OF BUSINESS

3a. November 10, 2015, CEO Report.

Ted Fick, Chief Executive Officer, reported on strong overall financial performance, entry of Spirit Airlines into the Seattle market, successful implementation of a PeopleSoft upgrade, and efforts to increase the value of cruise business in Seattle.

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.]

4a. Approval of the minutes of the joint meeting of April 21, the special meetings of May 5, September 22, and October 13, and the regular meeting of October 27, 2015.

4b. Authorization for the Designated Port Representative (Either the Chief Executive Officer or the Chief Financial Officer) to execute a reimbursement agreement with

Sumitomo Mitsui Banking Corporation and to take any other actions or enter into any related documents necessary for this agreement.

Request document(s) included a Commission agenda [memorandum](#) and draft reimbursement [agreement](#).

- 4c. Authorization for the Chief Executive Officer to execute two professional services indefinite delivery, indefinite quantity contracts for project control services in the amount of \$1,000,000 for full-service project controls and \$1,000,000 for cost estimating services with a contract ordering period of three years in support of upcoming capital improvement and major expense projects. There is no budget request associated with this authorization.**

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

- 4d. Authorization for the Chief Executive Officer to issue Change Order 09 for the Terminal 46 Stormwater Improvements project, contract MC-0317777, to add \$172,381.19 and 73 calendar days to the contract, resulting in a revised contract amount of \$2,381,124.79 and duration of 340 days. No additional funds are requested. (CIP #C102554)**

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

- 4e. Authorization for the Chief Executive Officer to execute a contract to provide snow removal services for the Air Operations Areas. The contract will be structured as a one-year agreement with up to four years of additional service to be determined annually by the Port. The total estimated cost of the contract is \$1,100,000.**

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

- 4f. Authorization for (1) the Chief Executive Officer to advertise and execute a construction contract to construct fuel system modifications in support of gate operations at Seattle-Tacoma International Airport in an amount not to exceed \$4,492,000 and to use Port crews in support of the project and for removal of regulated materials; and (2) to increase the project scope for additional fuel system modifications. (CIP #C800692).**

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

- 4g. Authorization for the Chief Executive Officer to execute a contract for bulk fuel purchase and delivery to the Port. The contract will be for one year with four one-year renewal options with an estimated contract value of \$4,500,000 including applicable taxes.**

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

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, Gregoire (4)

Absent for the vote: Creighton

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):

- Paul Jenkins, Elliott Bay Yacht Sales, in support of expansion of Seaview Boatyard
- Howard Hawke and Mark Hiraiwa, Auxiliary Engine, in support of expansion of Seaview Boatyard. Mr. Hawke and Mr. Hiraiwa submitted a letter, which is attached as minutes [Exhibit A](#) and is available for public review
- Larry Buzzard, Edmonds resident, in support of expansion of Seaview Boatyard
- Peter Schrappen, Clean Boating Foundation, NMTA, in support of expansion of Seaview Boatyard. Mr. Schrappen submitted a letter, which is attached as minutes [Exhibit B](#) and is available for public review
- George Harris, Northwest Marine Trade Association, in support of expansion of Seaview Boatyard. Mr. Harris submitted a letter, which is attached as minutes [Exhibit C](#) and is available for public review
- John Rothermel, Fisheries Supply Company, in support of expansion of Seaview Boatyard. Mr. Rothermel submitted a letter, which is attached as minutes [Exhibit D](#) and is available for public review
- Jim Brown, Monkeyfist Marine, in support of expansion of Seaview Boatyard
- Cory Anderson, Wells Fargo Insurance, in support of expansion of Seaview Boatyard
- Phil Riise, Seaview Boatyard, in support of expansion of Seaview Boatyard. Mr. Riise submitted written materials, which are attached as minutes [Exhibit E](#) and are available for public review
- Al Hughes, Seattle resident, in opposition to the expansion of Seaview Boatyard
- In lieu of verbal testimony, Steve Sewell, Governor's Maritime Sector Lead, submitted a letter supporting expansion of Seaview Boatyard, which is attached as minutes [Exhibit F](#) and is available for public review
- In lieu of verbal testimony, Steven Cohn submitted a letter supporting expansion of Seaview Boatyard, which is attached as minutes [Exhibit G](#) and is available for public review
- In lieu of verbal testimony, Mark Knudsen, President, SSA Marine, submitted a letter supporting expansion of Seaview Boatyard, which is attached as minutes [Exhibit H](#) and is available for public review
- In lieu of verbal testimony, Kirk Utter, President, Shilshole Liveaboard Association, submitted a letter supporting expansion of Seaview Boatyard, which is attached as minutes [Exhibit I](#) and is available for public review

- In lieu of verbal testimony, Dr. Lyndon Lee submitted a letter supporting expansion of Seaview Boatyard, which is attached as minutes [Exhibit J](#) and is available for public review
- In lieu of verbal testimony, Paul Sorensen, Principal, BST Associates, submitted a letter supporting expansion of Seaview Boatyard, which is attached as minutes [Exhibit K](#) and is available for public review
- In lieu of verbal testimony, Cameron and Donna Foster submitted a letter supporting expansion of Seaview Boatyard, which is attached as minutes [Exhibit L](#) and is available for public review
- In lieu of verbal testimony, Tony Bulpin, Sea Hawk Paints, submitted a letter supporting expansion of Seaview Boatyard, which is attached as minutes [Exhibit M](#) and is available for public review
- In lieu of verbal testimony, Alex Sutter, Vice President, Fisheries Supply Company, submitted a letter supporting expansion of Seaview Boatyard, which is attached as minutes [Exhibit N](#) and is available for public review
- In lieu of verbal testimony, Stephen Sands, Sands Marine, submitted a letter supporting expansion of Seaview Boatyard, which is attached as minutes [Exhibit O](#) and is available for public review
- In lieu of verbal testimony, Parker and Carol Taylor Cann, submitted a letter supporting expansion of Seaview Boatyard, which is attached as minutes [Exhibit P](#) and is available for public review
- In lieu of verbal testimony, John Gerner, Pau Hana, submitted written materials in support of expansion of Seaview Boatyard, which are attached as minutes [Exhibit Q](#) and are available for public review
- A petition in support of expansion of Seaview Boatyard was submitted as minutes [Exhibit R](#) and is available for public review

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

6. DIVISION, CORPORATE, AND COMMISSION ACTION ITEMS

6a. Authorization for the Chief Executive Officer to execute a Fifth Amendment to the lease with Seaview Boatyard West Inc., a small business located at Shilshole Bay Marina, to expand the lease premises and add two five-year renewal options.

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

Presenter(s): Lindsay Pulsifer, Managing Director, Maritime.

The Commission received a presentation on the terms of the lease amendment and premises expansion. Commissioners requested clarification about opportunity cost for lost parking and enforcement procedures for abandoned vehicles.

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

In favor: Albro, Bowman, Bryant, Gregoire (4)

Absent for the vote: Creighton

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

6b. Authorization for the Chief Executive Officer to execute one contract to conduct environmental review on the Sustainable Airport Master Plan with an estimated value of \$3,000,000 and an anticipated completion date of December 31, 2017.

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

Presenter(s): Elizabeth Leavitt, Director, Aviation Planning and Environmental Services, and Steven Rybolt, Environmental Management Specialist, Aviation Environmental Programs Group.

There was a presentation on the review services to be provided and the schedule for environmental review. Commissioners requested clarification on budgeting of funds for the contract and provided direction regarding economic development aspects of environmental review.

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

In favor: Albro, Bowman, Bryant, Gregoire (4)

Absent for the vote: Creighton

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

Without objection, the Commission advanced to consideration of –

6d. First Reading and Public Hearing of Resolution No. 3713: A resolution of the Port Commission of the Port of Seattle adopting the final budget of the Port of Seattle for the year 2016; making, determining, and deciding the amount of taxes to be levied upon the current assessment roll; providing payment of bond redemptions and interest, cost of future capital improvements and acquisitions, and for such general purposes allowed by law which the Port deems necessary; and directing the King County Council as to the specific sums to be levied on all of the assessed property of the Port of Seattle District in the Year 2016. [as introduced with a tax levy amount of \$72 million]

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

Presenter(s): Dan Thomas, Chief Financial Officer; Michael Tong, Assistant Finance Director – Budget; Borgan Anderson, Aviation Finance & Budget; Elizabeth Morrison, Director, Corporate Finance; and Stephanie Jones Stebbins, Director, Maritime Environmental and Planning.

Commissioners received a presentation on notable aspects of the proposed 2016 Port budget. Commissioners requested clarification on restructuring of the former Seaport Division into what is

now what is structured in the Maritime Division, Economic Development Division, and Northwest Seaport Alliance. Clarifications were also discussed regarding net distributable revenue, depreciation, operation and maintenance costs of the Port's new stormwater utility, and timing for booking environmental remediation expenditures.

Commission direction on annual review of stormwater utility rates was provided, and there was direction provided to reassess growth in the Maritime Division budget prior to second reading and final passage of the resolution.

Regarding the tax levy, Commissioners provided direction on improving projections for use of tax levy funding and requested clarification regarding forecasting of recovery from insurance and other sources for the tax levy balance used for environmental remediation. It was noted that balances in the tax levy at the end of the year roll over to the following year.

Resolution No. 3713 as presented in the supporting documents proposed a \$73 million tax levy, the same as for 2015. The version of the resolution introduced for First Reading substituted a tax levy amount of \$72 million.

PUBLIC HEARING on Resolution No. 3713

With a motion and second on the floor for First Reading of Resolution No. 3713, including a tax levy amount of \$72 million, Commissioner Bowman declared the public hearing on the resolution open. Comment was received from the following individual(s):

- Heather Worthley, Port Jobs, in support of Port Jobs funding in the 2016 budget
- Dave Gering, Manufacturing Industrial Council, in support of funding for Core Plus curriculum for workforce development
- Scott Anderson, CSR Marine, in support of Core Plus funding
- Jordan Royer, Pacific Merchant Shipping Association, in support of Core Plus funding
- Steve Sewell, Maritime Federation, in support of Core Plus funding

Following conclusion of testimony, the public hearing was closed. The question recurred on the motion for First Reading of Resolution No. 3713, which includes a tax levy amount of \$72 million.

The motion for First Reading of Resolution No.3713 (agenda item 6d) carried by the following vote:

In favor: Albro, Bowman, Bryant, Gregoire (4)

Absent for the vote: Creighton

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

Following consideration of agenda item 6d, the Commission advanced to consideration of the following agenda item –

- 6e. Authorization for the Chief Executive Officer to execute a contract with Visit Seattle to promote tourism travel to Seattle and Washington state, for a cost not to exceed \$640,000 over four years, including one base year and three one-year options.**

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

Presenter(s): Jane Kilburn, Tourism Development Director.

Ms. Kilburn briefed the Commission on the Port's contribution to Visit Seattle and the opportunities for travel promotion in Washington state afforded by the Port's support. Commissioners requested clarification and noted the importance for tourism promotion to continue to include a focus on international tourism markets.

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

In favor: Albro, Bowman, Bryant, Gregoire (4)

Absent for the vote: Creighton

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

Following consideration of agenda item 6e, the Commission returned to consideration of –

- 6c. First Reading of Resolution No. 3712: A resolution of the Port Commission of the Port of Seattle establishing jobs, pay grades, pay ranges, and pay practices for Port employees not represented by a labor union; authorizing legally required benefits, other benefits for Port employees not represented by a labor union including retirement, paid leave, healthcare, life insurance and disability benefits, benefits for Port of Seattle retirees, and benefits for Port of Seattle Commissioners; and authorizing this resolution to be effective on January 1, 2016, and repealing all prior resolutions dealing with the same subject, including Resolution No. 3699. *[as introduced without the proposed performance pay section III]***

Request document(s) included a Commission agenda [memorandum](#), [draft resolution](#), presentation [slides](#), [salary range](#) document, and [comparison](#) document.

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

The Commission received a presentation on the 2016 salary and benefits resolution. Commissioners requested clarification on actual use of certain benefits and limitations on amendment of the resolution subsequent to Commission adoption. It was noted that aspects of a new pay-for-performance system described in the resolution's proposed Section III warrant further review. The version of the resolution introduced for First Reading removes this section and renumbers the remaining sections accordingly.

Commissioners inquired about review of pay equity and staff response to the change to a 40-hour workweek. Commissioners opined on the possibility of mid-year implementation of previously proposed and further reviewed pay-for-performance program revisions.

The motion for approval of First Reading of Resolution No. 3712, including a Section III titled Benefits Programs Offered to Employees and no Section III titled Performance Pay, carried by the following vote:

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

Absent for the vote: Creighton

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

7. STAFF BRIEFINGS

7a. Legislative Update for November 10, 2015.

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

Ms. Osborne provided an update on local, state, and federal legislative matters of interest to the Port. Commissioners provided direction regarding vacation of Occidental Street and Congressional tours of port facilities and inquired about prospects for airline participation in security exit lane staffing alternatives.

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

7b. International Arrivals Facility Update Briefing.

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

Presenter(s): Ralph Graves, Senior Director, Capital Development, and David Brush, International Arrivals Facility Program Leader.

Commission received an update on the validation phase of work on the International Arrivals Facility. Commissioners requested clarification on hold periods activated by a negative majority-in-interest ballot of the airlines and provided direction on taking advantage of economies of scale for certain long-lead-time items. Validation results of the design-builder's review were noted regarding the IAF connector and sterile corridor location. Commission direction on further funding authorizations and the desire for agreement on aspects of the NorthSTAR and IAF programs was discussed.

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

8. ADDITIONAL NEW BUSINESS – None.

RECESSED AND RECONVENED

The meeting was recessed at 5:30 to an executive session estimated to last 30 minutes to discuss matters relating to performance of a public employee. Following the executive session, which lasted approximately 40 minutes, the public meeting reconvened at 6:30 p.m.

9. ADJOURNMENT

There was no further business, and the meeting adjourned at 6:30 p.m.

Tom Albro
Secretary

Minutes approved: November 24, 2015.