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**APPROVED MINUTES
COMMISSION REGULAR MEETING JULY 11, 2017**

The Port of Seattle Commission met in a regular meeting Tuesday, July 11, 2017, at Port of Seattle Headquarters, Commission Chambers, 2711 Alaskan Way, Seattle, Washington. Commissioners Albro, Bowman, Creighton, Felleman, and Gregoire were present.

1. CALL TO ORDER

The meeting was called to order at 12:03 p.m. by Commission President Tom Albro.

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 and one matter relating to sale or lease of real estate. Following the executive session, which lasted approximately 60 minutes, the public meeting reconvened at 1:15 p.m. Commissioner Albro led the flag salute.

3. SPECIAL ORDERS OF BUSINESS

3a. July 11, 2017, Executive Director Report.

Dave Soike, Interim Executive Director, previewed several items on the day's agenda and announced the installation of electric vehicle charging stations at airport employee and tenant parking areas, and that the 17th annual Seattle-Tacoma International Airport Charity Golf Tournament, benefitting the Highline Schools Foundation scholarship fund, would take place on July 13.

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 regular and special meetings of June 13, 2017.

4b. Nomination of Mr. Bill Winkelman as Chair of the Neighbors Advisory Committee.

Request document(s) included a Commission agenda [memorandum](#), [nomination letter](#), and [resume](#).

- 4c. Adoption of a technical amendment to the Audit Committee Charter contained in Exhibit A to Resolution No. 3613, previously amended on June 28, 2016, to revise Section II(D)(3) to read “Inform the Commission of the external auditing firms selected, based on an open competitive process, to review external audits conducted on Port of Seattle operations, programs, activities, and business processes.”**

Request document(s) included a Commission agenda [memorandum](#) and [redline version of the charter](#).

- 4d. Authorization for the Executive Director to execute Change Order 12 to Contract MC-0318388, Concourse B 400Hz Gate Improvement Project at Seattle-Tacoma International Airport, to extend the contract duration by 64 calendar days and for the amount of \$186,068. No additional funds are being requested (CIP #C800019).**

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

- 4e. Authorization for the Executive Director to execute Change Order 17 to Contract MC-0318605, C60 Interim Transportation Security Administration Search Room Expansion/Enhancement Project at Seattle-Tacoma International Airport, to extend the contract duration by 84 calendar days and for the deductive amount of \$18,312.00. No additional funds are being requested (CIP #C800825).**

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

- 4f. Authorization for the Executive Director to (1) execute a contract amendment with Advanced Application Design Inc. for additional hardware, software, and vendor services for the Airport Subway Information Displays Project and (2) amend the current approved authorization for additional informational displays and features by \$482,000 for a total project cost not to exceed \$3,052,000 (CIP #C800782).**

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

- 4g. Authorization for the Executive Director to (1) advertise and execute a construction contract for the Gate C3 Holdroom Expansion project at Seattle-Tacoma International Airport; (2) use Port crews in executing the project; and (3) increase authorized funds by \$3,000,000. This authorization is for \$5,650,000 of a total project cost of \$6,300,000 (CIP #C800722).**

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

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

In favor: Albro, Creighton, Felleman, Gregoire (4)

Absent for the vote: Bowman

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):

- Arthur West, WASHLITE, regarding the selection of a new Internal Audit Director. Mr. West submitted written materials, which are included here as minutes [Exhibit A](#) and are available for public review.
- John Persak, Seattle resident, in support of energy and sustainability initiatives.

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

6. DIVISION, CORPORATE, AND COMMISSION ACTION ITEMS

As noted on the agenda, the Commission advanced to consideration of –

6c. Motion appointing Glenn Fernandes as Internal Audit Director of the Port of Seattle effective July 24, 2017.

Request document(s) included a draft motion. A final draft of the [adopted motion](#) is attached.

Presenter(s): Aaron Pritchard, Commission Issues and Policy Manager.

As chair of the Audit Committee, Commissioner Gregoire described Mr. Fernandes's qualifications and background, and Mr. Fernandes made a brief statement.

The motion to appoint Mr. Fernandes Internal Audit Director of the Port of Seattle effective July 24, 2017 (agenda item 6c) carried by the following vote:

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

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

6d. Authorization for the Executive Director to (1) proceed with the Supplier Outreach and Procurement System project; (2) procure hardware, software, vendor services, and maintenance; and (3) use Port staff for implementation, for a total project cost not to exceed \$800,000 (CIP #C800907).

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

Presenter(s): Dave McFadden, Managing Director, Economic Development, and Sofia Mayo, Senior Manager, Service Agreements, Central Procurement Administration.

Commissioners requested additional information regarding the update schedule and whether the entire system is a standard product or some pieces are being developed specifically for the Port. Some components pertaining to procurement will be developed in-house, and the vendor will provide regular updates.

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

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

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

6e. Second Reading and Final Passage of Resolution No. 3735: A Resolution of the Port Commission of the Port of Seattle authorizing the issuance and sale of intermediate lien revenue and refunding bonds in one or more series in the aggregate principal amount of not to exceed \$800,000,000, for the purpose of financing or refinancing capital improvements to aviation facilities and for the purpose of refunding certain outstanding revenue bonds of the Port; setting forth certain bond terms and covenants; and delegating authority to approve final terms and conditions and the sale of the bonds.

Request document(s) included a Commission agenda [memorandum](#) and draft resolution. A copy of the adopted version of [Resolution No. 3735](#) is attached.

Presenter(s): Elizabeth Morrison, Director, Corporate Finance.

Previously, First Reading of Resolution No. 3735 was approved on June 27, 2017.

Ms. Morrison explained that there have been no changes to this resolution since First Reading. At that time, Commissioners had a question about the debt-to-asset ratio; Ms. Morrison explained that it is 45 percent, which is slightly better than Moody's rating for airports of 54 percent.

The motion for approval of Second Reading and Final Passage of Resolution No. 3735 carried by the following vote:

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

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

6f. Authorization for the Executive Director to (1) execute a professional services contract, (2) execute an interlocal agreement with King County for the operation and maintenance of traffic signals, (3) proceed with the design and preparation of contract bid documents for the C102162 Air Cargo Road Safety Improvements project, (4) utilize Port crews and small works contracts to complete the early pavement repair work, and (5) transfer \$3,019,590 of budget from the C800324 Cell Phone Lot project. This authorization is \$3,102,500 for a total of \$6,544,000 between the two projects.

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

Presenter(s): Jeffrey Brown, Director Aviation Facilities and Capital Programs; Heather Bornhorst, Capital Project Manager, Aviation Project Management.

It was reported that cell phone lot traffic has increased significantly since it was built in 2014, necessitating better traffic controls, and that Air Cargo Road is in need of repair. Staff explained that as the work areas overlap, combining these into one project will save time and money.

Regarding the cell phone lot portion of the project, the Commission asked about electric car charging stations, restroom facilities, and increased capacity. It was explained that the scope of this particular project is only to improve ingress and egress.

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

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

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

7. STAFF BRIEFINGS

Without objection, the following agenda item –

7a. Energy and Sustainability Policy Directive Resource Assessment.

– was laid on the table.

7b. Stage 3 Mechanical Energy Conservation Project (CIP #C800658).

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

Presenter(s): Mike Tasker, Senior Manager, Aviation Facilities & Infrastructure, and Leslie Stanton, Manager, Aviation Environmental Programs.

Since 2001, 50 conservation projects have been completed at the airport. Projects with the most dramatic financial return were completed first. Projects that remain have large benefits from an energy conservation standpoint, but smaller benefits from a financial standpoint. Stage 3 Mechanical Energy Conservation is such a project.

Commissioners inquired about valuation of carbon output in order to better incorporate the benefits from projects like this one into the Port's annual returns, and for clarification regarding the project schedule.

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

8. ADDITIONAL NEW BUSINESS

Commissioner Felleman commented on adjusting the starting time of the Commission's regular meetings and mentioned the recent 100th anniversary of the Hiram Chittenden (Ballard) Locks on the Lake Washington Ship Canal.

9. RECESSED AND ADJOURNED

The meeting was recessed at 2:31 p.m. to an executive session estimated to last 60 minutes to discuss one matter relating to qualifications for public employment. Following the executive session, which lasted approximately 75 minutes, the Commission adjourned at 4:15 p.m. without returning to public session.

Stephanie Bowman
Secretary

Minutes approved: August 8, 2017.