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**APPROVED AMENDED MINUTES  
COMMISSION REGULAR MEETING NOVEMBER 27, 2018**

The Port of Seattle Commission met in a regular meeting Tuesday, November 27, 2018, in the International Auditorium at Seattle-Tacoma International Airport, Seattle, Washington. Commissioners Bowman, Calkins, Felleman, Gregoire, and Steinbrueck were present.

**1. CALL to ORDER**

Pursuant to Article IV, Section 8, of the commission bylaws, the meeting convened at 11:31 a.m. to conduct an executive session.

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

The notice posted during the executive session included one matter related to performance of a public employee and one matter related to potential litigation and legal risk. The time for reconvening was posted as 12:00 noon, in accordance with commission bylaws and the public meeting notice previously published. Following the executive session, which lasted approximately 30 minutes, the public meeting reconvened at 12:09 p.m. Commissioner Gregoire led the flag salute.

**3. APPROVAL of the AGENDA**

Without objection, the preliminary agenda was approved without revisions.

**4. EXECUTIVE DIRECTOR'S REPORT**

Executive Director Steve Metruck previewed items on the day's agenda and made announcements.

**5. PUBLIC COMMENT**

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

- Jim Ferrell, Mayor, City of Federal Way, in support of Motion 2018-14, including funding in the 2019-2023 plan of finance for South King County communities.
- Kyle Moore, Government Relations Manager, City of SeaTac, in support of Motion 2018-14, including funding in the 2019-2023 plan of finance for South King County communities. Mr. Moore submitted a letter from City Manager Joseph Scorcio, which is attached as minutes [Exhibit A](#).
- Marianne Markkanon, Quiet Skies SeaTac, regarding electronic monitoring of aircraft pollutants under Motion 2018-14.
- Dave Berger, resident of Federal Way, in support of Motion 2018-14, including funding in the 2019-2023 plan of finance for South King County communities.
- J.C. Harris, Des Moines resident, regarding the port's 2019 budget.

- Dana Hollaway, Quiet Skies Puget Sound, regarding airport community impacts and airport growth.
- Steve Edmiston, the Briefing Project, regarding airport community impacts and proposed accords between the airport and surrounding communities. Mr. Edmiston submitted written materials, which are attached as minutes [Exhibit B](#).
- Earnest Thompson, Normandy Park Planning Commissioner, regarding airport community impacts, federal regulation of nighttime flights, and high-speed rail.
- Bernedine Lund, Federal Way resident, regarding use of sustainable aviation fuels and reduction of airport operations. Ms. Lund submitted written materials, which are attached as minutes [Exhibit C](#).
- Sheila Brush, Quiet Skies Puget Sound, regarding use of tax levy funding for communities affected by airport operations and support for airport/community accords. Ms. Brush submitted written materials, which are attached as minutes [Exhibit D](#).
- Kent Palosaari, SeaTac resident, regarding the airport's environmental impacts.

**6. UNANIMOUS CONSENT CALENDAR**

*[Clerk's Note: Items on the Unanimous Consent Calendar are not individually discussed. Commissioners may remove items for separate discussion and vote when approving the agenda.]*

- 6a. Approval of the minutes of the regular meeting of October 23, 2018.**
- 6b. Authorization for the Executive Director to authorize design and preparation of construction documents for the replacement of distressed pavements and related utilities for the 2020 Airfield Pavement portion of the 2016-2020 Airfield Pavement Replacement Program at the Seattle-Tacoma International Airport in the amount of \$1,250,000, and approve the use of a project labor agreement for this contract. (CIP #C800483).**

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

- 6c. Adoption of an amendment to the approved minutes of the regular meeting of September 11, 2018, to add an inadvertently omitted vote.**

Request document(s) included an [abbreviated agenda memorandum](#), record of the [September 11 votes](#), and amended copy of the [September 11 minutes](#).

**The motion for approval of consent items 6a, 6b, and 6c carried by the following vote:**

**In favor: Bowman, Calkins, Felleman, Gregoire, Steinbrueck (5)**

**7. SPECIAL ORDERS of BUSINESS – None.**

**8. AUTHORIZATIONS and FINAL ACTIONS**

- 8a. Authorization for the Executive Director to execute contracts with King County Metro for the next five years to purchase One Regional Card for All (ORCA) cards for Port employees as noted in the Port's approved commute trip reduction program. Estimated five-year cost is \$2,500,000.**

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

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

ORCA card usage and cost was summarized, and commissioners commented on improvement and expansion of the port's commute-trip-reduction program.

**The motion for approval of agenda item 8a carried by the following vote:**

**In favor: Bowman, Calkins, Felleman, Gregoire, Steinbrueck (5)**

**8b. Adoption of Salary and Benefits Resolution No. 3752: A resolution of the Port of Seattle Commission amending the policy directive for salaries and benefits for employees not covered by a collective bargaining agreement established by Resolution No. 3739 and providing an effective date for all amendments of January 1, 2019.**

Request document(s) included an [agenda memorandum](#), [summary of changes](#), [policy directive redline](#), draft resolution, and schedule of authorized non-represented job [salary ranges](#). A copy of the final adopted version of [Resolution No. 3752](#) is attached.

Presenter(s): Jeniann Kaelin, Total Rewards Consultant.

*Previously, Resolution No. 3752 was introduced on November 13, 2018, and also was presented on October 23, 2018.*

Ms. Kaelin described two amendments proposed for adoption and noted that the port's application to opt out of the Washington State Paid Family Medical Leave Act program had been approved. This allows the port to continue to provide its own Family Medical Leave Act benefits, including more robust paid parental leave benefits than those currently available with the state, without having to contribute to state benefit program premiums.

*The following two amendments were decided by a single vote –*

**AMENDMENT 1**

The following amendment was offered: In Resolution 3752, on page 2, line 75, insert the following:

In Section 5.3(D), Retiree Life Insurance, delete "if the eligibility requirements listed in subsection (B)(1) are satisfied" and insert in lieu thereof the following: if they have at least five consecutive years of credited service in a non-represented position with the Port of Seattle immediately preceding retirement and are eligible to begin receiving a pension, based at least in part upon Port of Seattle employment, within one month following departure from the port

This amendment was intended to restore the eligibility requirement for retiree life insurance that was inadvertently deleted when retiree health insurance benefit language was removed.

**AMENDMENT 2**

The following amendment was offered: In Resolution 3752, on page 2, line 43, insert after "Internal Audit Director reports": functionally

This amendment would further clarify that the Internal Audit Director reports functionally to the Audit Committee and administratively to the Executive Director.

**Amendments 1 and 2 were adopted by the following vote:**

**In favor: Bowman, Calkins, Felleman, Gregoire, Steinbrueck (5)**

**The question recurred on the motion for adoption of Resolution No. 3752, as amended, which carried by the following vote:**

**In favor: Bowman, Calkins, Felleman, Gregoire, Steinbrueck (5)**

**8c. Adoption of Resolution No. 3751: A resolution of the Port Commission of the Port of Seattle adopting the final budget of the Port of Seattle for the year 2019; 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 2019.**

Request document(s) included an [agenda memorandum](#), [presentation slides](#), draft resolution, and revised Motion 2018-14. Copies of the adopted versions [of Resolution No. 3751](#) and [Motion 2018-14](#) are attached. Executive Director Metruck provided additional presentation slides at the time of the meeting, which are attached as minutes [Exhibit E](#).

Presenter(s): Dan Thomas, Chief Financial Officer; Steve Metruck, Executive Director; and Paul J. White, Commission Clerk.

*Previously, Resolution No. 3751 was introduced on November 13, 2018, and also was presented on October 23. A public hearing on the resolution was held on November 13.*

The commission clerk provided a brief summary of the process for amendment and adoption of the budget resolution, including consideration of a formal motion related to planned funding for South King County communities and airport-related environmental programs.

The executive director introduced the budget discussion, describing the 2019 budget as transformative and financially balanced. He commented on the economic opportunity and enhancement of community and environmental health represented by the budget. He also noted the capital investment, mostly at Seattle-Tacoma International Airport, that comprises about half of the 2019 budget.

Key initiatives of the 2019 budget were summarized, including advancing diversity in contracting, promoting workforce development, supporting regional demand for air service and growth in cruise

passengers, continued environmental programs such as development of sustainable aviation fuel, cultivating regional economic opportunities, tourism promotion, and improving the efficiency of the port's workforce. The operating and capital revenue and expense budget was summarized in general terms. Operating revenue in 2019 is forecasted at about \$753.3 million; operating expenses are budgeted at about \$453.9 million; net operating income is forecasted at about \$299.4 million; and the 2019 capital budget is about \$1 billion with a five-year capital spending plan of about \$3.1 billion. The proposed tax levy in 2019 is \$74,160,000.

Commissioners commented on the port's contribution to the work of the Northwest Seaport Alliance, including Seattle's Terminal 5 modernization.

Staff announced a "change" introduced to the budget after introduction that adds a new full-time-equivalent position for an environmental program manager in the External Relations Department. The position duration is limited to one year, nine months and supports the Airport Community Ecology Fund program and community engagement on port environmental justice. The total budget addition for the new position is \$137,000 in 2019. No commissioners voiced objection to the change.

Commissioners commented on the fact that port revenue, especially airport revenue, has restrictions attached to its use that are not necessarily obvious to the general public. It was noted that increasing the port's tax levy total from \$72 million to \$74.2 million would amount to a total estimated increase of \$1.39 for a King County taxpayer with a home of median value of roughly \$509,000. The port's 2019 tax levy translated to millage would be about \$0.12 per \$1,000 of assessed property value. The Port of Tacoma's Pierce County tax levy translates to a millage rate of roughly \$0.18 per \$1,000 of assessed property value. Prior to 1991, the port's tax levy was regularly the maximum allowed by statute. Since then, it has been held flat or increased to much less than the maximum allowed by law.

There was a presentation of timelines and commitments related to aviation, maritime, and economic development capital projects between 2018 and 2023.

#### **MOTION 2018-14**

*The following motion, related to the five-year plan of finance, was considered –*

**Motion 2018-14: A motion of the Port of Seattle Commission directing the Executive Director to set the 2019-2023 Capital Improvement Plan CIP Reserve for Maritime and Economic Development at \$25 million; designating funding in the 2019-2023 plan of finance for South King County communities, development of sustainable aviation fuels, support for greenhouse gas reduction, efforts to reduce air emissions, and establishment of a pilot program to educate and assist workers at Seattle-Tacoma International Airport; directing the Executive Director to review and recommend updated financial management policies as outlined in Appendix B of the 2019 Port of Seattle preliminary budget document; and establishing deadlines and stipulating budget amounts for 2019 for the above.**

Commissioners commented on the provisions of the motion, noting expectations for community engagement on use of funds and commenting on the priority to address greenhouse gas emissions. Commissioners asked about return on investment for Part 150 noise insulation and commented on

the need to continue to consider community economic development and engage with the community to improve quality of life. They remarked on community support for a low-carbon fuel standard in Washington state.

The motion for adoption of Motion 2018-14 carried by the following vote:  
In favor: Bowman, Calkins, Felleman, Gregoire, Steinbrueck(5)

Commissioners opined on the overall budget process, especially the presentation of capital improvement project priorities and funding and presentation of capital and operating budgets.

**The motion for adoption of Resolution No. 3751 carried by the following vote:**

**In favor: Bowman, Calkins, Felleman, Gregoire, Steinbrueck (5)**

**9. PRESENTATIONS, REPORTS, and STAFF BRIEFINGS**

**9a. 2018 Q3 NorthSTAR Program and North Satellite Project Briefing (CIP #C800556).**

Presentation document(s) included an [agenda memorandum](#) and [presentation slides](#). A brief time-lapse video of North Satellite construction was presented and is available upon request.

Presenter(s): George England, Senior Capital Program Leader, and Ken Warren, Capital Program Leader.

A project overview was presented, including financial progress, performance against schedule, and small business and apprenticeship utilization statistics. Significant risks, accomplishments, and progress made were described. Phase 1A is expected to open in January. Current challenges include provision of concessions and maintaining customer service levels as work nears completion. Commissioners asked about wayfinding in the North Satellite and commented on the general-contractor/construction manager (GC/CM) form of project delivery for NorthSTAR. They asked for a comparison of the GC/CM process to the progressive-design-build process used for the International Arrivals Facility and requested a report of lessons learned during progress of the NorthSTAR program.

**9b. Port of Seattle Youth Internship Programs.**

Presentation document(s) included a corrected [agenda memorandum](#) and [presentation slides](#). An additional slide was provided at the time of the meeting and is attached as minutes Exhibit F.

Presenter(s): Amberine Wilson, Human Resources Outreach Program Manager.

The accomplishments of the port's 2018 youth internship programs were described. Performance on program goals and recommendations were presented. The work of multiple port departments and public and private partners was acknowledged. Since 2015, the overall internship program has grown to four times its original size and the number of high-school interns has increased by more than a factor of 10. Successful efforts to represent diverse and economically challenged populations within the program were summarized. Commissioners commented on increasing the geographic range of King County school districts represented in the program. They remarked on

the importance of Career Connected Learning to youth in King County. Commissioners complimented staff for interest in the program's best practices from the City of Tacoma.  
*Without objection, the commission advanced to consideration of –*

**9d. Draft Federal Legislative Agenda for 2019.**

Presentation document(s) included an [agenda memorandum](#), [presentation slides](#), and [priorities for aviation](#) and [maritime interests](#).

Presenter(s): Eric Schinfeld, Senior Manager Federal and International Government Relations, and Ryan McFarland, Manager Federal Government Relations.

Proposed federal legislative priorities for the Port of Seattle for 2019 were presented. Staff intends to return on December 11, 2018, for commission approval of the federal legislative agenda. Commissioners commented on priority areas related to Harbor Maintenance Tax reform, agricultural and manufacturing tariffs, potential military interest in sustainable aviation fuel, overlap of agenda priorities with the Northwest Seaport Alliance and Washington Public Ports Association, staffing of Customs and Border Protection on the maritime cargo side of port operations, and turnover of Transportation Security Officers at the airport.

*Following completion of agenda item 9d, the commission returned to consideration of –*

**9c. Draft State Legislative Agenda for 2019.**

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

Presenter(s): Pearse Edwards, Director Government Relations; Eric ffitch, Manager State Government Relations; and Trent House, Contract Lobbyist.

Proposed state legislative priorities for the Port of Seattle for 2019 were presented. Staff intends to return on December 11, 2018, for commission approval of the state legislative agenda. Commissioners commented on priority areas related to statewide support for development of a market for sustainable aviation fuel, collaboration on a maritime innovation center, zoning and land-use, sound effects of increased maritime traffic in Puget Sound, and Model Toxics Control Act funding models.

**10. QUESTIONS on REFERRAL to COMMITTEE – None.**

**11. ADJOURNMENT**

There was no further business, and the meeting adjourned at 4:30 p.m.

Prepared:

Attest:

Paul J. White, Commission Clerk

Peter Steinbrueck, Commission Secretary

Minutes approved: January 8, 2019, and subsequently amended May 28, 2019