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APPROVED MINUTES COMMISSION REGULAR MEETING DECEMBER 11, 2018

The Port of Seattle Commission met in a regular meeting Tuesday, December 11, 2018, in commission chambers at Port of Seattle offices, 2711 Alaskan Way, Seattle, Washington. Commissioners Bowman, Calkins, Gregoire, and Steinbrueck were present. Commissioner Felleman was excused.

1. CALL to ORDER

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

2. EXECUTIVE SESSION pursuant to RCW 42.30.110

The notice posted during the executive session included one matter related to national security. 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 45 minutes, the public meeting reconvened at 12:03 p.m. Commissioner Gregoire led the flag salute.

3. APPROVAL of the AGENDA

Without objection, the preliminary agenda was revised to remove agenda item 6d from the Unanimous Consent Calendar for separate discussion and vote and to lay on the table agenda item 8e.

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):

- Steve Edmiston, The Briefing Project, regarding airport community impacts. Mr. Edmiston submitted written materials, which are attached as minutes [Exhibit A](#).
- Alex Tsimerman, Stand up America, regarding government corruption.
- David Goebel, Vashon Island Fair Skies, regarding airport community impacts.
- J.C. Harris, Des Moines resident, regarding airport community 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 special meetings of November 7 and November 13, 2018.

6b. Approval of claims and obligations for the period November 1, 2018, through November 30, 2018, including accounts payable check nos. 926745-927342 in the amount of \$11,585,660.97; accounts payable ACH nos. 12576-13349 in the amount of \$90,779,516.20; accounts payable wire transfer nos. 14998-15014 in the amount of \$7,379,727.27, payroll check nos. 191275-191613 in the amount of \$332,995.90; and payroll ACH nos. 883633-889819 in the amount of \$16,070,210.26 for a fund total of \$126,148,110.60.

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

6c. Authorization for the Executive Director to reauthorize and execute two five-year agreements between the United States Department of Agriculture Wildlife Services and the Port of Seattle for managing human-wildlife conflicts on or near port property for the period January 1, 2019, through December 31, 2023, in the amount of \$1,560,000 for a cooperative service agreement and \$15,000 for an interlocal agreement for a total of \$1,575,000.

Request document(s) included an [agenda memorandum](#), [cooperative service agreement](#), [work plan](#), and [interlocal agreement](#).

As noted above, agenda item 6d was temporarily postponed.

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

In favor: Bowman, Calkins, Gregoire, Steinbrueck (4)

Absent for the vote: Felleman

7. SPECIAL ORDERS of BUSINESS

7a. 2017-2018 Economic Development Partnership Program Results Presentation.

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

Presenter(s): Dave McFadden, Managing Director, Economic Development Division; Joe Meyer, Economic Development Coordinator; Jessie Kotarski, Economic Development Specialist, City of Renton; Bill Ellis, Economic Development Manager, City of Kent; Jack Dodge, Community Development Manager, City of Pacific; and Chris Mefford, Community Attributes Inc.

Commissioners received a presentation on the accomplishments of the Economic Development Partnership Program in 2017 and 2018, including descriptions of economic development efforts in

the cities of Kent, Pacific, and Renton. Commissioners commented on program mechanics and sources of business data. They asked about participation from small communities, opportunities for joint applications, and the economic development options available to the nine cities in King County that do not participate in the program. These include Seattle and some generally affluent, suburban cities that have not considered program participation a fit for their circumstances. Commissioners asked about collection of best practices and other information from program participants.

The Commission advanced to consideration of –

ITEMS REMOVED FROM CONSENT

- 6d. Authorization for the port to reimburse Seattle-Tacoma International Airport tenant SP-LW LLC (Sub Pop-Li'l Woody's) up to an amount not to exceed \$360,095.72 for costs incurred in the design of the CC-06 unit awarded to this firm in the Airport Dining and Retail Lease Group 3 and for the Executive Director to execute a lease amendment with this firm that includes a change in premises, construction build-out, and lease termination dates, as well as a mutual release of any potential claims relating to the unavailability of unit CC-06.**

Request document(s) included an [agenda memorandum](#), site plans showing the location of units [CC-06](#) and [NS-23](#), and draft lease and [concession amendment](#).

It was explained that although the Airport Dining and Retail Master Plan called for conversion of the spaces in question to food and beverage uses, ultimately physical constraints prevented their being used this way. Commissioners asked about steps to be taken to ensure that the spaces designated for uses in the master plan can accommodate those uses. It was confirmed that there are no other units with the same concern in lease groups 3 or 4.

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

In favor: Bowman, Calkins, Gregoire, Steinbrueck (4)

Absent for the vote: Felleman

8. AUTHORIZATIONS and FINAL ACTIONS

- 8a. Introduction of Resolution No. 3753: A resolution of the Port Commission of the Port of Seattle appointing Debbi Browning, Assistant Director, Accounting and Financial Reporting Department, as Port Auditor for the Port of Seattle pursuant to RCW 53.36.010 and RCW 42.24.080.**

Request document(s) included an [agenda memorandum](#) and draft resolution. A copy of the final draft of [Resolution No. 3753](#) will be made available upon adoption.

Presenter(s): Rudy Caluza.

Mr. Caluza explained the difference between the "port auditor" – a statutorily defined officer responsible for exercising controls prior to payment by the agency for goods and services – and an internal or external auditing professional who examines financial reports or operational processes

after the fact for compliance with appropriate controls and accounting standards. It was noted that although no port auditor had been appointed by resolution since 1964, there have been port employees filling the role of the auditor since that time, and Ms. Browning has acted in this role since 1999.

The motion to introduce Resolution No. 3753 carried by the following vote:

In favor: Bowman, Calkins, Gregoire, Steinbrueck (4)

Absent for the vote: Felleman

8b. Authorization to pursue the legislative priorities as described in this memorandum during the 2019 state legislative session, convening January 14, 2019, in Olympia, Washington.

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

Presenter(s): Eric ffitch, Manager State Government Relations.

Legislative priorities described in the agenda memorandum for state-level advocacy in 2019 cover a variety of policy areas. In general terms, these can be grouped as follows:

- Enactment of a statewide clean fuels standard
- Support for workforce development efforts
- Transportation access to the airport
- Development of a maritime innovation center
- Land-use advocacy
- Support for quality jobs and workplace equity
- Support for transportation projects critical to port operations
- Promotion of clean energy sources and investment in environmental cleanup
- Support for tax, governance, and technology policies that support port-related businesses and activities.

AMENDMENT 1

The language of Section (1)(e)(iii) was amended to read as follows:

Proposals that reflect the Port's commitment to environmental sustainability, including promoting Puget Sound health and resource stewardship, and reflect the Commission view that manufacturing and industrial centers that are designated under the Growth Management Act are resource lands of statewide economic importance that are irreplaceable; and

Amendment 1 was adopted by the following vote:

In favor: Bowman, Calkins, Gregoire, Steinbrueck (4)

Absent for the vote: Felleman

AMENDMENT 2

Section (2)(c)(xi), related to the oversight board that would have been established under Initiative Measure 1631, was deleted.

Amendment 2 was adopted by the following vote:

In favor: Bowman, Calkins, Gregoire, Steinbrueck (4)

Absent for the vote: Felleman

The motion for approval of agenda item 8b, as amended, carried by the following vote:

In favor: Bowman, Calkins, Gregoire, Steinbrueck (4)

Absent for the vote: Felleman

8c. Approval of the Port's 2019 federal policy priorities and authorization for staff to engage with federal officials and other partners in support of these priorities.

Request document(s) included an [agenda memorandum](#), [presentation slides](#), [aviation priorities agenda](#), and [maritime priorities agenda](#). An amended agenda memorandum is attached as minutes [Exhibit B](#).

Presenter(s): Eric Schinfeld.

Legislative priorities described in the agenda memorandum for federal-level advocacy in 2019 cover a variety of policy areas. In general terms, these can be grouped as follows:

- Advocate for welcoming and competitive immigration and trade policies
- Promote raising the Passenger Facility Charge cap
- Coordination with federal agencies to ensure safe and efficient airport operations
- Support flexibility and increased federal responsibility for airport community impacts
- Expand deployment of sustainable aviation fuel
- Advocate for Harbor Maintenance Tax reform
- Support federal funding for modernization of Terminal 5
- Advocate for Fisheries Finance Program reforms to facilitate fishing fleet modernization
- Support funding for operation and maintenance of the Hiram Chittenden Locks in Ballard
- Support environmental restoration in Puget Sound
- Promote deepening of federal channels in Seattle and Tacoma harbors
- Advocate for national freight policy and funding
- Support adequate federal staffing to efficiently screen cargo for safety
- Advocate for long-term vitality of the Northwest fishing and maritime industries

AMENDMENT 1

An amendment was adopted to include the following language as a maritime priority issue:

Support efforts to increase oil train safety standards and provide resources to communities to address hazardous fuel spill incidents.

Amendment 1 was adopted by the following vote:

In favor: Bowman, Calkins, Gregoire, Steinbrueck (4)

Absent for the vote: Felleman

The motion for approval of agenda item 8c, as amended, carried by the following vote:

In favor: Bowman, Calkins, Gregoire, Steinbrueck (4)

Absent for the vote: Felleman

8d. Authorization for the 2019 Tourism Marketing Grant Program and authority for the Executive Director to approve execution for all related contract agreements for the 2019 selected Tourism Marketing Support Program recipients in an amount not to exceed \$200,000.

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

Presenter(s): Ron Peck, Director, Tourism Development.

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

In favor: Bowman, Calkins, Gregoire, Steinbrueck (4)

Absent for the vote: Felleman

As noted above, agenda item 8e was laid on the table.

8f. Introduction of Resolution No. 3754: A Resolution of the Port Commission of the Port of Seattle amending Resolution Nos. 3742 and 3744, regarding bylaws governing the organization and transaction of business of the Port of Seattle Commission.

Request document(s) included a [redline copy of the commission bylaws](#) and draft resolution. A copy of the final draft [Resolution No. 3754](#) will be made available upon adoption.

Presenter(s): Paul J. White, Commission Clerk.

The effect of the bylaws amendment would be to return to a traditional model in which all three commission officers are elected at the start of the same year in which they serve. Currently, the bylaws provide for election of the president a year early as vice president, and the vice president automatically becomes president in the year after his or her vice-presidential term. Commissioners commented on the value of revising the model for electing the president.

The motion to introduce Resolution No. 3754 carried by the following vote:

In favor: Bowman, Calkins, Gregoire, Steinbrueck (4)

Absent for the vote: Felleman

- 8g. Introduction, Public Hearing, and Adoption of Resolution No. 3755: A resolution of the Port Commission of the Port of Seattle specifying the dollar and percentage change in regular property levy from the previous year per RCW 84.55.120; providing for an increase of the levy from \$72,000,000 to \$74,160,000.**

Request document(s) included an [agenda memorandum](#) and draft resolution. The adopted version of [Resolution 3755](#) is attached.

Presenter(s): Dan Thomas, Chief Financial Officer, and Michael Tong, Assistant Finance Director – Budget.

PUBLIC HEARING on Resolution No. 3755

Upon a motion and second for introduction and adoption of Resolution No. 3755, Commissioner Gregoire declared the public hearing for the resolution open.

In the presentation, it was explained that although the port had held a public hearing during discussion of the 2019 budget that included a tax-levy discussion, RCW 84.55.120 requires a separate public hearing be held explicitly about increasing the levy. It was noted that Resolution 3755 makes no change to the 2019 budget or the 2019 tax levy amount as described during adoption of the budget on November 27, 2018.

Comment was received from the following individual(s):

- J.C. Harris, Des Moines resident

There was a motion to suspend Commission bylaws to take final action on Resolution No. 3755 on the same day it was introduced, which carried by the following required unanimous vote of all port commissioners:

In favor: Bowman, Calkins, Gregoire, Steinbrueck (4)

Absent for the vote, but providing prior written consent: Felleman

Although absent for the vote, Commissioner Felleman executed a written consent for introduction and adoption of the resolution on the same day, as required by commission bylaws. A copy of the consent memo is attached as minutes [Exhibit C](#).

Following conclusion of discussion, the public hearing on Resolution No. 3755 was closed.

The motion to introduce and adopt Resolution No. 3755 carried by the following vote:

In favor: Bowman, Calkins, Gregoire, Steinbrueck (4)

Absent for the vote: Felleman

9. PRESENTATIONS, REPORTS, and STAFF BRIEFINGS

9a. 2018 Third Quarter Capital Improvement Projects Report.

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

Presenter(s): Ralph Graves, Senior Director, Capital Development, and Penne Pelton, Capital Project Manager.

Mr. Graves provided an update on the status of capital projects during the third quarter of 2018, noting significant accomplishments and variances to project schedule or budget. Commissioners commented on how to establish the appropriate baseline against which to measure long-term projects, particularly those subject to cumulative schedule and cost changes. It was noted that identification of risk is the goal of regular project updates. Commissioners asked clarifying questions about several projects in the report.

10. QUESTIONS on REFERRAL to COMMITTEE – None.

11. ADJOURNMENT

There was no further business, and the meeting adjourned at 2:55 p.m.

Prepared:

Attest:

Paul J. White, Commission Clerk

Peter Steinbrueck, Commission Secretary

Minutes approved: January 22, 2019.