

START OF TRANSCRIPT

[00:00:27] SO. GOOD AFTERNOON. THIS IS COMMISSIONER  
[00:00:30] BOWMAN CALLING TO ORDER THE PORT OF  
[00:00:31] SEATTLE AUDIT COMMITTEE SPECIAL MEETING  
[00:00:33] TODAY IS THURSDAY, SEPTEMBER 9, 2021,  
[00:00:36] AND THE TIME IS 230. WE'RE MEETING  
[00:00:39] REMOTELY TODAY VIA THE TEAM'S PLATFORM  
[00:00:42] TO COMPLY WITH SENATE CONCURRENT  
[00:00:43] RESOLUTION 8402 AND GOVERNOR  
[00:00:45] INSLEE'S PROCLAMATION 20-28.  
[00:00:48] PRESENT WITH ME TODAY OUR COMMITTEE  
[00:00:51] ALTERNATIVE MEMBER, COMMISSIONER CALKINS  
[00:00:53] AND PUBLIC MEMBER CHRIS GEHRKE. WILL,  
[00:00:55] THE CLERK, PLEASE CALL THE ROLL TO  
[00:00:57] ENSURE ALL COMMITTEE MEMBERS ARE ON THE  
[00:00:59] LINE. THANK YOU, COMMISSIONER.  
[00:01:01] BEGINNING WITH COMMISSIONER CALKINS  
[00:01:02] HERE. THANK YOU. MEMBER GEHRKE,  
[00:01:09] YOU MIGHT BE MUTED. CHRIS, I DO  
[00:01:17] SEE HER. OKAY. I KNOW  
[00:01:21] THAT SIGH. YES, NOTING FOR THE RECORD, I DO  
[00:01:24] SEE HER. I'M HERE. HERE WE  
[00:01:28] GO. THANK YOU VERY MUCH. CAN YOU  
[00:01:32] HEAR ME NOW? YES. OKAY. SORRY. I DON'T  
[00:01:34] KNOW WHAT IT WAS. AND THEN COMMISSIONER  
[00:01:37] BOWMAN PRESENT. THANK YOU. ALRIGHT.  
[00:01:41] THANK YOU. AS THIS IS A VIRTUAL MEETING,  
[00:01:44] WE'VE MADE SPECIAL ARRANGEMENTS TO  
[00:01:46] PROVIDE FOR REMOTE PARTICIPATION FOR ALL  
[00:01:48] OF OUR STAFF, ANY OUTSIDE PRESENTERS AND  
[00:01:50] ALSO OUR COMMITTEE MEMBERS. PLEASE NOTE  
[00:01:53] THAT ALL VOTES, COMMENTS AND QUESTIONS  
[00:01:55] AS THEY WILL BE TAKEN BY THE ROLL CALL  
[00:01:56] METHOD AS A RESULT OF OUR VIRTUAL  
[00:01:58] ENVIRONMENT TO MAKE THIS MEETING MORE  
[00:02:00] ACCESSIBLE TO THE PUBLIC. THE MEETING IS  
[00:02:03] BEING LIVE STREAMED, EXCUSE ME, AND  
[00:02:05] DIGITALLY RECORDED AND MAY BE VIEWED OR  
[00:02:07] HEARD AT ANY TIME ON THE PORT WEBSITE.  
[00:02:09] BEFORE MOVING FORWARD INTO OUR BUSINESS  
[00:02:12] ITEMS TODAY, I'D LIKE TO REQUEST THE  
[00:02:14] AGENDA. ITEM EIGHT. WE MOVED TO THE  
[00:02:16] FIRST ITEM OF BUSINESS. COMMISSIONER  
[00:02:18] CHO, WHO IS A REGULAR MEMBER OF THIS  
[00:02:20] COMMITTEE, HAS A CONFLICT FOR THIS ITEM  
[00:02:23] AND THEREFORE MOVING IT ON THE AGENDA  
[00:02:24] WILL ALLOW FOR HIS PARTICIPATION FOR THE  
[00:02:26] REMAINDER OF THE MEETING ONCE IT IS  
[00:02:28] ADDRESSED. IF THERE IS NO OBJECTION TO  
[00:02:30] THIS RE ORDER, ANY OBJECTION,  
[00:02:33] [inaudible 00:02:35] . THANK YOU.  
[00:02:36] WE WILL TAKE ITEM NUMBER EIGHT,  
[00:02:39] THE OPERATIONAL AUDIT FOR TNCS FIRST.  
[00:02:43] SO WITH THAT GLEN,  
[00:02:47] PLEASE INTRODUCE ITEM NUMBER EIGHT AND  
[00:02:50] THE PRESENTERS. THANK YOU, COMMISSIONER  
[00:02:53] BOWMAN. THE PRESENTERS ARE GOING TO BE  
[00:02:54] ME AND DAN CHASE. I'M GOING TO OPEN IT  
[00:02:58] UP AND THEN DAN WILL TALK TO THE ISSUE.  
[00:03:01] SO, YOU KNOW, TNCS, WE LOOKED  
[00:03:04] AT BOTH LYFT AND UBER AND THERE ARE TWO  
[00:03:06] SEPARATE AUDITS WE STARTED, BUT SINCE

[00:03:09] THE PROCESSES AND CONTROLS ARE PRETTY  
[00:03:12] MUCH EXACTLY THE SAME FOR BOTH, WE DID  
[00:03:14] COMBINE THEM INTO ONE REPORT AND WE  
[00:03:16] CALLED IT THE TNC REPORT. LYFT  
[00:03:22] ONE OF THE COMPANIES IN UBER GOES BY THE  
[00:03:25] NAME OF RASIER. SO MICHELLE, IF YOU COULD  
[00:03:28] PULL UP THE DECK, THE POWERPOINT DECK  
[00:03:30] AND GO TO SLIDE 20, PLEASE. THANK YOU.  
[00:03:32] GIVE ME JUST A MINUTE HERE. GLAD I'M  
[00:03:34] PULLING THAT UP NOW.  
[00:03:42] OKAY.  
[00:03:48] OKAY.  
[00:03:51] BEAR WITH ME A SECOND. LET ME GET YOU  
[00:03:53] BACK IN THE RIGHT PLACE AND GET YOU ON  
[00:03:55] THE RIGHT SLIDE. NO PROBLEM.  
[00:04:04] THERE YOU GO. OKAY,  
[00:04:07] SO A BIG OVERVIEW IS  
[00:04:11] FOR PICKUPS. BOTH COMPANIES PAY \$6 AND  
[00:04:14] A DROP OFF \$2.  
[00:04:17] THE PERIOD THAT BEYOND AUDITED WAS FROM 2017  
[00:04:20] APRIL ALL THE WAY TO MARCH. ABOUT THIS  
[00:04:23] YEAR,  
[00:04:27] BOTH UBER AND LYFT USE APPS THAT  
[00:04:30] EVERYONE'S FAMILIAR WITH, AND THOSE APPS  
[00:04:33] WORK WITH SOMETHING CALLED GEOFENCE  
[00:04:35] CIRCLES THE AIRPORT. SO ANYTIME THERE'S  
[00:04:38] ACTIVITY WITHIN THAT GEOFENCE, A  
[00:04:40] THEORETICAL YOU SHOULD GET BILLED FOR A  
[00:04:43] PICK UP OR DROP OFF. SO CUSTOMERS  
[00:04:46] DROPPED OFF AT THE AIRPORT. AND WITHIN  
[00:04:48] THAT GEOFENCE, WE EARN \$2 AT THE PICK  
[00:04:51] UP, AND IT'S WITHIN THE GEOFENCE SHOULD  
[00:04:53] BE \$6.00.  
[00:04:56] PER TRIP. NEXT SLIDE, PLEASE. MICHELLE.  
[00:05:03] AS YOU CAN SEE, REVENUES HAVE  
[00:05:07] GROWN SIGNIFICANTLY OVER THE LAST FEW  
[00:05:09] YEARS. AND IF YOU LOOK AT 2021, JUST THE  
[00:05:12] FIRST HALF OF THE YEAR WITH SIGNIFICANT  
[00:05:15] AND ONCE WE GET THROUGH THE PANDEMIC,  
[00:05:18] THIS WILL CONTINUE TO GROW JUST BECAUSE  
[00:05:21] OF A VARIETY OF THINGS. BUT, YOU KNOW,  
[00:05:25] PRIMARILY EVERYONE KNOWS RENTAL CARS ARE  
[00:05:27] REALLY HARD TO COME BY. PEOPLE DON'T  
[00:05:30] WANT TO TAKE PUBLIC TRANSIT BECAUSE OF  
[00:05:32] THE PANDEMIC. AND UBER AND LYFT HAD BEEN  
[00:05:35] TAKING BUSINESS AWAY STEADILY FROM TAXI  
[00:05:37] CAMPS. SO IF YOU DOUBLE THE 8 MILLION,  
[00:05:40] THAT'S 16 MILLION A LOW. YOU KNOW,  
[00:05:43] THE DELTA VARIANT IS GOING TO PLAY A  
[00:05:45] LITTLE FACTOR AND THEN THE SECOND HALF  
[00:05:46] OF THE YEAR. SO IT'S A LARGE NUMBER.  
[00:05:49] WHAT WE DID IS WE INDEPENDENTLY WENT OUT  
[00:05:53] AND WE VIEWED 126 VEHICLES.  
[00:05:56] WE SAT IN THE DRIVES, WROTE DOWN  
[00:05:59] THE LICENSE PLATE NUMBERS, AND THEN WE  
[00:06:01] TRACE THAT BACK TO THE TNCS MONTHLY  
[00:06:04] REPORTS TO MAKE SURE THAT WE WERE  
[00:06:06] CORRECTLY BEING PAID FOR THE TRIPS THAT  
[00:06:09] OCCURRED. THERE WERE SOME FIVE THAT  
[00:06:13] DIDN'T HAVE AN EXACT MATCH THAT WE COULD  
[00:06:16] MATCH. YOU KNOW, THREE OF THOSE.  
[00:06:19] WE WEREN'T REALLY SURE MAYBE A DIGIT WAS  
[00:06:22] OFF. WE DON'T KNOW IF IT'S OUR MISTAKE

[00:06:24] OR THEIR MISTAKE, BUT NOT THE LESS.  
[00:06:27] THERE WERE A TOTAL OF FIVE AND TWO.  
[00:06:30] THERE WAS NO REASON FOR. SO EVEN IF YOU  
[00:06:33] LOOK AT A 2% VARIANCE IN THE WORST CASE  
[00:06:36] SCENARIO, YOU KNOW, IT'S A SIGNIFICANT  
[00:06:38] CHUNK OF CHANGE ON \$16  
[00:06:42] MILLION. YOU'RE LOOKING AT OVER \$300,000  
[00:06:44] A YEAR, BUT THERE'S A COST  
[00:06:48] AND RISK REWARD, HOW TIGHT YOU WANT  
[00:06:52] THOSE CONTROLS AND HOW ACCURATE YOU WANT  
[00:06:54] TO BE. YOU ALSO WANT TO MAKE SURE THAT  
[00:06:57] SYSTEMATICALLY, IF SOMETHING WERE TO  
[00:06:59] HAPPEN THAT WE'D BE ABLE TO CATCH IT AND  
[00:07:01] WE FOLLOW UP ON THAT. SO WITH THAT,  
[00:07:04] MICHELLE, IF YOU CAN GO TO THE NEXT  
[00:07:06] SLIDE AND I'M GOING TO HAVE DAN CHASE  
[00:07:08] UNMUTE HIMSELF AND TALK THROUGH THE  
[00:07:09] ISSUES, I'M HERE,  
[00:07:13] GLENN. YOU DID SUCH A NICE JOB. I SHOULD  
[00:07:15] JUST LET YOU KEEP GOING.  
[00:07:18] SO GOOD AFTERNOON. I'M DAN CHASE. I'M AN  
[00:07:20] AUDIT MANAGER. SO AS GLENN MENTIONED,  
[00:07:24] WE DID IDENTIFY AN OPPORTUNITY TO  
[00:07:26] IMPLEMENT A CONTROL WHEN THOSE MATCH  
[00:07:29] RATES FALL BELOW A CERTAIN THRESHOLD.  
[00:07:31] SO WHAT HAPPENS IS GT STAFF,  
[00:07:34] GROUND TRANSPORTATION STAFF. THEY SPEND  
[00:07:36] ABOUT 40 HOURS MONTHLY AND THEY WRITE  
[00:07:39] DOWN LICENSE PLATE NUMBERS, AND THEN  
[00:07:42] THOSE ARE TRACED INTO THE TNC REPORTS,  
[00:07:44] UBER LYFT REPORTS. SO THAT IS A GREAT  
[00:07:48] FIRST STEP WHEN YOU'RE MEASURING THE  
[00:07:50] DIFFERENCE FROM TWO INDEPENDENT SOURCES.  
[00:07:54] BUT THERE'S REALLY NO FORMAL PROCESS TO  
[00:07:57] REALLY RESEARCH AND UNDERSTAND WHAT IS  
[00:08:00] CAUSING THE DIFFERENCES. AND THE CONCERN  
[00:08:03] THAT WE HAD IS THAT THE VARIANCE WILL  
[00:08:06] INCREASE AND WE WON'T HAVE A PROCESS TO  
[00:08:09] REALLY UNDERSTAND WHY. SO WE'VE MADE TWO  
[00:08:12] RECOMMENDATIONS, I BELIEVE, ARE ON THE  
[00:08:14] NEXT SLIDE, AND THEN BEFORE WE JUMP  
[00:08:17] TO THE NEXT SLIDE. ONE THING I WOULD  
[00:08:19] WANT TO ADD IS ALTHOUGH THE GROUND  
[00:08:22] TRANSPORTATION IS DOING THIS MATCH THAT  
[00:08:24] DAN TALKED ABOUT, THERE ARE SOME SOME  
[00:08:28] VERY VALID REASONS, BUT THEY ARE GETTING  
[00:08:30] ABOUT A 90% MATCH RATE OR THE 88% TO  
[00:08:33] 90%. SO WHEN DAN TALKS THROUGH  
[00:08:36] THE RECOMMENDATIONS ON PART OF IT IS  
[00:08:39] ALSO TIGHTENING UP THE MATCH RATE  
[00:08:41] BECAUSE YOU CLEARLY WANT TO DO SOMETHING  
[00:08:44] WITH THE EXCEPTIONS, YOU FIND OVER A  
[00:08:46] CERTAIN THRESHOLD. LIKE I SAID, THE RISK  
[00:08:49] REWARD, BUT TO WHERE POSSIBLE, WE ALSO  
[00:08:52] WANT TO TIGHTEN UP THAT MATCH RATE. SO  
[00:08:54] YOU DON'T HAVE AS BIG A POOL TO HAVE TO  
[00:08:57] RESEARCH. BACK TO YOU, DAN, TO THE NEXT  
[00:09:00] SLIDE. THANKS, GLENN.  
[00:09:03] SO WE HAD TWO RECOMMENDATIONS. THE FIRST  
[00:09:05] IS TO REALLY UNDERSTAND REASONS, THEN  
[00:09:07] ADAPT PROCESSES TO MINIMIZE THEM. AS  
[00:09:11] GLENN MENTIONED, ONE OF THE REASONS THAT  
[00:09:13] THERE ARE DIFFERENCES BETWEEN THE MANUAL

[00:09:16] OBSERVATIONS AND THE REPORTS IS FROM A  
[00:09:18] TIMING STANDPOINT, RIGHT. I BELIEVE NOW  
[00:09:22] WE GO OUT. I THINK THEY'RE ONE OR TWO  
[00:09:24] HOUR BLOCKS THAT THOSE MANUAL  
[00:09:26] OBSERVATIONS ARE MADE. IF WE WERE TO  
[00:09:28] EXPECT EXPAND THAT TO AN EIGHT HOUR  
[00:09:32] BLOCK. IN THEORY, YOU'D HAVE LESS  
[00:09:33] DIFFERENCES FOR TIMING. THAT'S JUST AN  
[00:09:36] IDEA. BUT THE SECOND IS TO ESTABLISH  
[00:09:39] THAT TOLERANCE THAT, YOU KNOW, IF THAT  
[00:09:42] MATCH RATE STARTED GETTING WIDER, THERE  
[00:09:44] WOULD BE A FORMAL PROCESS THAT WOULD BE  
[00:09:46] TRIGGERED TO UNDERSTAND WHY, WHY THAT'S  
[00:09:50] OCCURRING AND TO REALLY IDENTIFY IF  
[00:09:52] THERE'S ANYTHING SYSTEMIC THAT NEEDS TO  
[00:09:55] BE MITIGATED AND  
[00:09:59] REALLY RESEARCHING IT. I MEAN, THAT  
[00:10:02] COULD MEAN THAT IT WOULD FINANCIALLY  
[00:10:04] BENEFIT THE PORT, BUT IT ALSO COULD MEAN  
[00:10:06] THAT THE TNCS COULD BENEFIT THEM AS  
[00:10:08] WELL. SO REALLY ADVOCATING FOR JUST  
[00:10:11] UNDERSTANDING WHY THERE'S THAT  
[00:10:13] DIFFERENCE WHEN IT EXCEEDS A CERTAIN  
[00:10:15] THRESHOLD. SO THAT'S ALL I HAVE.  
[00:10:18] GLAD I'LL TURN IT BACK TO YOU. AND I  
[00:10:20] THINK WE HAVE SOME GROUND TRANSPORTATION  
[00:10:21] FOLKS HERE TO ANSWER QUESTIONS AS WELL.  
[00:10:23] WELL, OUR TRANSPORTATION FOLKS CAN TALK  
[00:10:26] ABOUT. WE'LL HAVE THEM TALK ABOUT THEIR  
[00:10:28] MANAGEMENT RESPONSE IN A SECOND. BUT I  
[00:10:31] BELIEVE IT'S A 1 HOUR WINDOW, AND JEFF  
[00:10:33] AND TEAM CAN EXPAND ON THAT. THE BIGGEST  
[00:10:36] REASON IS FOR THE VARIANCE OF. ONE OF  
[00:10:38] THE KEY REASONS IS, YOU KNOW, AT ABOUT,  
[00:10:41] SAY, LOOKING AT FROM 11:00 TO 12:00 AS  
[00:10:44] FAR AS THAT, EXIT THE SYSTEM AT  
[00:10:47] 11:59 OR 11:58, OR THAT THAT TIME FRAME  
[00:10:52] MIGHT SHOW UP IN THE NEXT HOUR ON THE  
[00:10:55] REPORT THAT SENT ACROSS JUST BECAUSE OF  
[00:10:57] THE TIMING DIFFERENCE. SO IN THE REPORT,  
[00:10:58] THAT SET ACROSS, IF YOU EXPAND IT BY  
[00:11:01] JUST A TEN MINUTES, MAYBE YOU'LL GET A  
[00:11:03] BETTER MATCH RATE. IT'S JUST A THEORY,  
[00:11:05] BUT IT'S SOMETHING THAT THE GROUND  
[00:11:07] TRANSPORTATION WILL ADDRESS. SO,  
[00:11:09] LAUREL, JEFF AND TEAM. IF YOU GUYS COULD  
[00:11:12] UNMUTE YOURSELVES AND MICHELLE, THE NEXT  
[00:11:14] SLIDE, AND THEY CAN TALK A LITTLE BIT  
[00:11:15] ABOUT MANAGEMENT RESPONSE BEFORE WE OPEN  
[00:11:18] IT UP FOR QUESTIONS.  
[00:11:23] I APPRECIATE IT. GOOD AFTERNOON. THE  
[00:11:27] MEMBER GERHKE AND OTHER MEMBERS ON THE CALL.  
[00:11:30] SO MY NAME IS [inaudible 00:11:34]  
[00:11:40] YOU'RE ARE BREAKING UP A LOT.  
[00:11:43] YOU MAY WANT TO TRY TO TURN OFF YOUR  
[00:11:45] CAMERA. THAT MIGHT BE HELPFUL. GREAT. I  
[00:11:48] APOLOGIZE FOR THAT. OH, YOU'RE BETTER NOW.  
[00:11:50] IS THAT BETTER? YEAH.  
[00:11:53] SO AGAIN, GOOD AFTERNOON. JUST WANTED  
[00:11:57] TO. FIRST OF ALL, THANK THE AUDIT TEAM.  
[00:12:01] WE ALWAYS HAVE OPPORTUNITIES FOR  
[00:12:04] IMPROVEMENTS WITH THESE AGREEMENTS.  
[00:12:05] IT'S IMPORTANT TO REMEMBER THAT WE

[00:12:08] ENTERED INTO THIS ARRANGEMENT OF THE  
[00:12:10] TNCS IN 2016 AS A PILOT PROGRAM,  
[00:12:12] AND AS PART OF THAT, IT'S IMPORTANT  
[00:12:15] TO UNDERSTAND THAT WE RELY ON SELF  
[00:12:18] REPORTED DATA. AND THIS ISN'T UNIQUE TO  
[00:12:21] TNC. THIS IS ACROSS THE BOARD WITH OTHER  
[00:12:24] AGREEMENTS THAT WE HAVE IN PLACE, BOTH  
[00:12:25] IN THE GROUND TRANSPORTATION ARENA, BUT  
[00:12:28] ACROSS THE AIRPORT AS WELL. WHAT WE DID  
[00:12:31] DIFFERENTLY WITH TNC, AND IT'S ACTUALLY  
[00:12:33] VERY UNIQUE IS WE REQUIRE QUITE A BIT OF  
[00:12:36] DATA AND INFORMATION, NOT ONLY IN A  
[00:12:39] MONTH END REPORT ON ALL ACTIVITIES THAT  
[00:12:42] OCCURS ON AIRPORT PROPERTY, REALLY  
[00:12:45] CORRESPONDING TO A GLENN MENTIONED THE  
[00:12:47] GEOFENCE THAT'S JUST BASICALLY A BORDER  
[00:12:49] AROUND THE AIRPORT, BUT ALSO ON A NEAR  
[00:12:51] REAL TIME BASIS. SO THEY SEND US A NEAR  
[00:12:54] REAL TIME DATA FEED, WHICH IS VERY  
[00:12:56] UNIQUE. AND WHAT OUR ICT BUSINESS  
[00:13:00] INTELLIGENCE OPERATION STAFF HAS DONE  
[00:13:02] HAS TAKEN THAT NEAR REAL TIME  
[00:13:04] INFORMATION AND DEVELOP AN APP THAT IS  
[00:13:07] DAN TALKED ABOUT. WE USE TO DO WHAT WE  
[00:13:10] CALL SPOT CHECKS. AND IN ESSENCE,  
[00:13:12] THERE'S 40 HOURS IN A MONTH WHERE GROUND  
[00:13:15] TRANSPORTATION STAFF WILL STAND IN THE  
[00:13:17] PICK UP AREA AND TRACK ACTIVITY. AND  
[00:13:21] WHAT YOU SEE IN THE AUTO REPORT IS JUST  
[00:13:24] THE MATCHING OF THAT ACTIVITY THAT WE  
[00:13:26] RECORD VERSUS THE MONTH END REPORT THAT  
[00:13:29] WE GET SENT TO US BY THE TNCS AS  
[00:13:32] IDENTIFIED IN 2018 AUDIT.  
[00:13:35] THERE ARE REASONS WHY MATCH RATE MAY NOT  
[00:13:38] BE, AND AS GLENN INDICATED,  
[00:13:41] ONE OF THEM HAS TO BE WITH TIMING, WE  
[00:13:44] MAY RECORD A TRANSACTION AT, LET'S SAY,  
[00:13:45] 11:59 A.M.. WE MAY NOT GET THE DATA  
[00:13:50] ON THAT TRANSACTION THAT SENT TO US FROM  
[00:13:51] THE TNC, MAYBE AT TWELVE OR 01:00 P.M..  
[00:13:53] AND WHEN YOU LOOK AT AN HOUR BLOCK  
[00:13:56] BETWEEN ELEVEN AND TWELVE, IT MAY NOT  
[00:13:58] MATCH THEN. BUT WHEN YOU LOOK AT A DAILY  
[00:14:01] MATCH AND YOU EXPAND FOR THE ENTIRE DAY,  
[00:14:03] IT MAY MATCH. AND SO THAT'S WHY YOU SEE  
[00:14:05] IN OUR RESPONSE. WHEN YOU LOOK AT DAILY  
[00:14:08] MATCHES, IT'S OFTENTIMES MUCH HIGHER AND  
[00:14:11] CLOSER TO. BUT THERE'S ALSO ANOTHER  
[00:14:13] REASON THAT'S IDENTIFIED, WHICH IS HOW  
[00:14:15] TO DO WITH LICENSE PLATES. SO THERE'S A  
[00:14:17] LOT OF TURNOVER IN THE TNC FLEET, A LOT  
[00:14:20] OF NEW DRIVERS THAT COME INTO THE FLEET,  
[00:14:22] THEY MAY HAVE TEMPORARY LICENSE PLATE  
[00:14:23] THAT THEY REGISTER WITH THE TNC ONCE  
[00:14:26] THEY GET THEIR PERMANENT PLATE. LET'S  
[00:14:28] SAY THEY COME IN AND DO A PICK UP UNDER  
[00:14:30] THE PERMANENT PLATE, BUT HAVEN'T UPDATED  
[00:14:31] THAT NEW PLATE WITH THE TNC, AND THEY  
[00:14:34] SEND US THE INFO AS A TEMPORARY PLATE.  
[00:14:36] WE MAY HAVE A MISMATCH. SO THERE'S JUST  
[00:14:38] VARIOUS REASONS WHY IT MAY NOT BE WITH  
[00:14:41] THAT SAID, WE COMPLETELY AGREE THAT  
[00:14:45] THERE'S ROOM FOR IMPROVEMENT IN TERMS OF

[00:14:47] SETTING A THRESHOLD. SO AS WE MONITOR  
[00:14:50] MATCH RATES, IF IT DROPS BELOW A CERTAIN  
[00:14:52] THRESHOLD, WE DO ADDITIONAL RESEARCH,  
[00:14:54] WHICH WE WILL FURTHER DEFINE AS  
[00:14:57] IDENTIFIED IN THE REPORT BY THE END OF  
[00:14:59] OCTOBER. AND WE'LL WORK WITH THE AUDIT  
[00:15:02] TEAM AND OUR BUSINESS INTELLIGENCE TEAM,  
[00:15:03] ICT AND DEFINING THAT PROCESS. AND THAT  
[00:15:06] THRESHOLD. THE MOST IMPORTANT THING TO  
[00:15:09] SAY IS IS THAT WE ARE VERY CONFIDENT  
[00:15:11] INFORMATION THE DATA AND THE TRIP  
[00:15:14] ACTIVITY AND THE MONEY THAT  
[00:15:18] WE RECEIVED FROM THE TNCS. SO DESPITE  
[00:15:20] THE SUPPLEMENTAL CHECK THAT WE DO, THAT  
[00:15:22] ISN'T ON MATCHES, WE HAVE BEEN VERY  
[00:15:26] CONFIDENT IN THEIR REPORTING OF ACTIVITY  
[00:15:29] TO US. SO I'LL STOP THERE AND BE HAPPY  
[00:15:32] TO ANSWER ANY QUESTIONS.  
[00:15:35] GREAT. LIKE TO OPEN UP TO  
[00:15:38] COMMITTEE MEMBERS AND SEE IF YOU HAVE  
[00:15:40] ANY QUESTIONS. SO I'M GOING TO GO AHEAD  
[00:15:44] AND END THIS SHOW AND STOP SHARING  
[00:15:47] REALLY QUICKLY BEFORE WE START CALLING  
[00:15:49] MEMBERS AND THEN BEGINNING WITH  
[00:15:51] COMMISSIONER CALKINS FOR QUESTIONS. SO I  
[00:15:56] THINK PROBABLY A QUESTION FOR JEFF.  
[00:15:59] MAYBE WHEN WE LOOK AT THE DISCREPANCIES,  
[00:16:04] IT'S NOT A HUGE NUMBER. BUT I'M  
[00:16:07] ALSO KNOWING THAT IN ANY  
[00:16:11] LARGE GROUP OF PEOPLE, THERE ARE GOING  
[00:16:12] TO BE SOME BAD ACTORS WHO ARE WILLING TO  
[00:16:14] SKIRT THE SYSTEM IF THEY CAN FIND A WAY  
[00:16:16] TO DO IT. MY CONCERN IS IS THERE A  
[00:16:18] POSSIBILITY THAT THE DISCREPANCY HERE IS  
[00:16:21] BECAUSE SOMEBODY HAS FIGURED OUT A WAY  
[00:16:23] TO TO SLIP THROUGH? AND IF THAT'S THE  
[00:16:26] CASE, THEN WE WOULDN'T WANT THAT TO GET  
[00:16:30] CONTAGIOUS. RIGHT. SO, I MEAN, THIS IS  
[00:16:33] EFFECTIVELY AN ENFORCEMENT MECHANISM,  
[00:16:35] AND THE MORE LIKELY THAT SOMEONE THINKS  
[00:16:38] THEY'RE GOING TO GET CAUGHT, THE LESS  
[00:16:39] LIKELY IT IS THAT THEY'LL TRY TO EVADE  
[00:16:43] THE PAYMENT IN THE FIRST PLACE. SO JUST  
[00:16:46] WANTING TO MAKE SURE IS THIS ROBUST  
[00:16:48] ENOUGH, CAN WE WITH THE INTERNAL  
[00:16:52] AUDIT RECOMMENDATIONS, CAN WE TIGHTEN IT  
[00:16:55] DOWN A LITTLE BIT MORE TO ENSURE THAT  
[00:16:57] THIS THIS PROBLEM DOESN'T GET WORSE OVER  
[00:16:59] TIME? YES.  
[00:17:02] GOOD POINT. IT'S IMPORTANT TO REMEMBER  
[00:17:05] THAT OUR AGREEMENT IS WITH THE COMPANY  
[00:17:08] THEMSELVES. SO WHEN WE TALK ABOUT A BAD  
[00:17:12] ACTOR, NO, WE'RE NOT GETTING PAID  
[00:17:14] DIRECTLY BY A TNC DRIVER. WE'RE GETTING  
[00:17:17] PAID BY A TNC COMPANY THAT JUST RECORDS  
[00:17:20] THE NUMBER OF TRIPS THAT OCCUR. SO IT'S  
[00:17:23] OUR DUTY TO MAKE SURE THAT THE ACTOR IN  
[00:17:25] THIS CASE FOR US IS THE COMPANY THAT'S  
[00:17:28] SENDING US ACCURATE INFORMATION. SO THIS  
[00:17:31] GETS BACK TO A CHALLENGE THAT WE HAVE  
[00:17:33] ELSEWHERE IN THE SYSTEM IS JUST MAKING  
[00:17:37] SURE WE'RE ABLE TO TRACK ACTIVITIES.  
[00:17:39] TECHNOLOGY IS A BIG STEP,

[00:17:42] A BIG FACTOR IN THAT. WE HAVE WHAT WE  
[00:17:45] CALL AVI SYSTEM, AUTOMATED VEHICLE  
[00:17:47] IDENTIFICATION SYSTEM. IT'S VERY  
[00:17:49] CHALLENGING TO APPLY AVI SYSTEM. IT  
[00:17:51] INCLUDES AN RFID RADIO FREQUENCY  
[00:17:53] IDENTIFICATION TAG TO A VEHICLE, WHICH  
[00:17:56] WE DON'T REALLY WANT TO DO WITH A  
[00:17:58] PRIVATELY OWNED VEHICLE, BECAUSE A TNC  
[00:18:00] VEHICLE CAN ALSO OPERATE PRIVATELY, AND  
[00:18:02] WE DON'T WANT TO TRACK THAT ACTIVITY  
[00:18:04] THROUGH AIRPORT PROPERTY. SO WE'VE SHIED  
[00:18:07] AWAY FROM AVI. BUT THERE WE'RE  
[00:18:09] RESEARCHING OTHER TECHNOLOGIES THAT  
[00:18:11] MIGHT BE OUT THERE, INCLUDING THERE'S  
[00:18:13] OTHER THIRD PARTY COMPANIES THAT MIGHT  
[00:18:15] HELP US IN TRACKING. PART OF IT IS JUST  
[00:18:17] INVESTMENT IN OUR PART, TOO. WE MAY WORK  
[00:18:20] WITH OUR ICT AND THE DATA THAT WE DO  
[00:18:22] RECEIVE FROM THE TNC COMPANIES IN DOING  
[00:18:26] MORE ROBUST TRACKING OF ACTIVITY ON  
[00:18:27] PROPERTY. BUT REALLY, IT GETS BACK TO  
[00:18:31] ENSURING THAT WE HAVE WE'RE CONFIDENT IN  
[00:18:34] OUR RELATIONSHIP WITH THE COMPANY ITSELF  
[00:18:37] BECAUSE WE DON'T TYPICALLY SEE BECAUSE  
[00:18:39] WE DON'T HAVE THAT RELATIONSHIP WITH THE  
[00:18:40] DRIVER. IT'S MORE OF THAT CONFIDENCE.  
[00:18:43] BUT THERE ARE STEPS THAT WE'RE TAKING IN  
[00:18:45] TERMS OF RESEARCHING OTHER TECHNOLOGIES  
[00:18:47] THAT ARE OUT THERE, AND THAT'S PART OF  
[00:18:48] THE IMPROVEMENT THAT WE'RE CONTINUOUSLY  
[00:18:50] MAKING WITH THIS PROGRAM. IT'S A  
[00:18:52] LEARNING EXPERIENCE FOR ALL AIRPORTS  
[00:18:53] WITH TNC ACTIVITY.  
[00:19:00] THANK YOU. IT IS. I THINK I MENTIONED  
[00:19:04] YOU, GLENN, IN OUR PRE BRIEFING.  
[00:19:07] MY I THINK WE'RE CONTINUING  
[00:19:11] TO WORK ON THESE ARE SOME SHORT, MEDIUM  
[00:19:13] TERM GOALS FOR ME. I HAVE AN INTEREST IN  
[00:19:16] LONGER TERM AND CAPTURING A LARGER SWATH  
[00:19:19] OF THE TOTAL VEHICLES THAT COME TO AND  
[00:19:21] FROM THE AIRPORT. AND THAT. AND SO THERE  
[00:19:23] MIGHT BE A A HIGHER ORDER SYSTEM THAT  
[00:19:27] IS HELPING US TO TRACK ALL THE SYSTEMS.  
[00:19:30] AND SO IN THE MEANTIME, I WANT TO MAKE  
[00:19:32] SURE WE'VE FIXED ANY PROBLEMS WE'VE  
[00:19:34] IDENTIFIED HERE, BUT I THINK IT BE GREAT  
[00:19:38] IN THE LONGER TERM FOR US TO NOT SIMPLY  
[00:19:42] BE CHARGING TNCS AND TAXES AND SHUTTLES,  
[00:19:44] BUT ALSO THE EVERYONE ELSE WHO'S USING  
[00:19:48] OUR OUR DRIVES  
[00:19:53] TO COME AND GO FROM THE TWO.  
[00:19:55] FORGIVE MY EDITORIALIZING. THANK YOU,  
[00:19:59] COMMISSIONER CALKINS MOVING TO MEMBER  
[00:20:01] GEHRKE. I DON'T HAVE ANY ADDITIONAL  
[00:20:04] QUESTIONS. THANK YOU. THANK YOU,  
[00:20:06] COMMISSIONER BOWMAN. GREAT. THANK YOU.  
[00:20:09] I JUST HAVE A COUPLE OF QUESTIONS. SO,  
[00:20:11] JEFF, WE USE AND COMMISSIONER CALKINS  
[00:20:13] FEEL FREE TO JUMP IN HERE AS WELL. WE  
[00:20:15] USE RFID TECHNOLOGY AT OUR INTERNATIONAL  
[00:20:18] MARINE CARGO TERMINAL. HAVE YOU REACHED  
[00:20:22] OUT TO THAT LINE OF BUSINESS TO SEE IF  
[00:20:24] THERE'S SOME LESSONS LEARNED BECAUSE

[00:20:28] WE REQUIRE THE TRACKERS TO USE RFID? WE  
[00:20:31] HAVE ACTUALLY FOR A NUMBER OF YEARS NOW  
[00:20:33] IN ORDER TO ACCESS THE TERMINAL, IT'S  
[00:20:35] OUR WAY TO TRACK WHETHER OR NOT THEY ARE  
[00:20:39] MEETING OUR CLEAN AIR STANDARDS BY  
[00:20:40] HAVING AN ENGINE THAT HAS 2007 OR LATER.  
[00:20:46] YEAH, TO ANSWER THAT DIRECTLY. NO, WE  
[00:20:48] HAVEN'T REACHED OUT. WE CERTAINLY COULD.  
[00:20:50] WE DO HAVE EXPERIENCE, AS MENTIONED,  
[00:20:52] WITH RADIO FREQUENCY I'D WITH OUR OTHER  
[00:20:56] GT MODES. SO, AS YOU'RE AWARE, ALMOST  
[00:20:59] EVERY OTHER MODE TAXIS, SHUTTLES HAVE  
[00:21:01] RADIO FREQUENCY TAGS. SO WE CERTAINLY  
[00:21:03] HAVE EXPERIENCE WITH THAT WITHIN THE GT  
[00:21:07] SYSTEM ITSELF AT THE AIRPORT. AGAIN,  
[00:21:09] IT'S JUST REALLY CHALLENGING WITH  
[00:21:10] PRIVATELY OWNED VEHICLES. IT'S CERTAINLY  
[00:21:13] AN AREA WE COULD EXPLORE AND ACTUALLY  
[00:21:15] MANDATE WE COULD AND REQUIRE THAT THOSE  
[00:21:18] VEHICLES. THE PROBLEM NOT ONLY IS JUST  
[00:21:21] ON THE DIFFERENCE IN USE BETWEEN A  
[00:21:24] COMMERCIAL ACTIVITY, WHICH THROUGH A TNC  
[00:21:26] VERSUS OUR PRIVATE ACTIVITY, BUT IT'S  
[00:21:30] ALSO THE TURNOVER OF THOSE VEHICLES.  
[00:21:31] THERE'S SO MANY TNC DRIVERS AND  
[00:21:34] VEHICLES. SO THOSE ARE JUST SOME  
[00:21:35] CHALLENGES THAT WE FACE, BUT WE  
[00:21:36] CERTAINLY COULD LOOK INTO THAT MORE.  
[00:21:38] OKAY. YEAH. I CERTAINLY WOULD LIKE US TO  
[00:21:41] LOOK INTO IT MORE. I APPRECIATE THE  
[00:21:44] SOMEWHAT MORE UNIQUE CHALLENGE WITH THE  
[00:21:46] FACT THAT THERE IS TURNOVER. BUT AS YOU  
[00:21:48] JUST SAID IN YOUR EARLIER COMMENTS, OUR  
[00:21:51] RELATIONSHIP ISN'T WITH THE TNC DRIVERS.  
[00:21:53] OUR RELATIONSHIP ARE WITH THE TWO  
[00:21:54] COMPANIES. AND SO, MANDATING, THAT THE  
[00:21:58] COMPANIES, THEY CAN FIGURE OUT THE  
[00:22:00] TECHNOLOGY THEMSELVES. WE KNOW RFID  
[00:22:02] WORKS. I'M A LITTLE CONFUSED. WE DON'T  
[00:22:04] HAVE TO GO INTO IT NOW. WHY? AGAIN, WE  
[00:22:07] HAVE THIS ON OUR TRUCKS. WE HAVE IT ON  
[00:22:08] THE TAXES. THOSE ARE COMMERCIAL  
[00:22:10] VEHICLES. BUT I WOULD BE FAIRLY  
[00:22:13] CONFIDENT THERE'S A WAY FOR THAT TO BE  
[00:22:15] SHUT OFF WHEN THEY'RE NOT. I MEAN, THE  
[00:22:17] ONLY PURPOSE, FOR EXAMPLE, ON THE RING  
[00:22:19] TERMINAL IS WHEN THEY ACCESS THE  
[00:22:20] TERMINAL. WE'RE NOT TRACKING THE  
[00:22:22] MOVEMENT OF A DRAINAGE TRUCK OUTSIDE OF  
[00:22:25] THE PORT. AND SO I WOULD THINK THAT WE  
[00:22:28] WOULD BE ABLE TO HAVE A SIMILAR SYSTEM.  
[00:22:30] WE DON'T WANT TO TRACK THE DRIVERS  
[00:22:32] OUTSIDE OF THE AIRPORT. WE JUST WANT TO  
[00:22:35] TRACK THEM WHEN THEY'RE COMING IN AND  
[00:22:37] OUT. I WOULD LOVE FOR US TO EXPLORE  
[00:22:39] AGAIN, TAKE SOME LESSONS, LEARN FROM THE  
[00:22:41] MARINE SIDE OF THE HOUSE AND SEE WHAT WE  
[00:22:44] CAN DO ABOUT APPLYING THAT SYSTEM TO THE  
[00:22:47] AIRPORT. AND THEN THE SECOND THING I'M  
[00:22:49] CURIOUS ABOUT, WHAT ARE YOU ABLE TO TELL  
[00:22:52] US ABOUT THE BEST PRACTICES AT OTHER  
[00:22:54] AIRPORTS? WHAT SYSTEMS HAVE BEEN USED  
[00:22:56] THAT ARE DOING, TRACKING THE



[00:23:01] ARRIVALS AND DEPARTURE OF THE TNCS?  
[00:23:05] YEAH. SO IN TERMS OF WE  
[00:23:09] ARE ACTUALLY OFTEN LOOKED TO AS A BEST  
[00:23:12] PRACTICE, THE INFORMATION THAT WE  
[00:23:13] RECEIVE. SO AGAIN, POINTING BACK TO THE  
[00:23:16] INITIATION OF OUR PILOT PROGRAM IN 2016,  
[00:23:19] WE IMPLEMENTED STANDARDS ABOVE THOSE  
[00:23:22] ACROSS THE AIRPORT IN ACTIVITY,  
[00:23:26] THAT INFORMATION AND DATA THAT SENT TO  
[00:23:29] US, INCLUDING A REAL TIME, NEAR REAL  
[00:23:32] TIME DATA FEED. SO WHEN WE LOOK AT OTHER  
[00:23:35] AIRPORTS, EVEN NOW, IT IS SIMPLY AN END  
[00:23:40] A MONTH REPORT ON ACTIVITY AND THEN A  
[00:23:42] CHECK FROM THE TNCS, AND THEN THE  
[00:23:44] PROCESS THAT WE'VE IMPLEMENTED THE  
[00:23:46] SUPPLEMENTAL PROCESS, WHICH IS THIS SPOT  
[00:23:48] AUDIT THAT'S IDENTIFIED IN THIS AUDIT  
[00:23:52] THAT WE DO BY OUR OWN STAFF IS AGAIN,  
[00:23:54] ANOTHER SUPPLEMENTAL CHECK THAT WE DO  
[00:23:57] THAT OTHER AIRPORTS DON'T DO. SO WE'LL  
[00:24:00] CONTINUE TO DO THAT. WE TALK TO OTHER  
[00:24:02] AIRPORTS CONSTANTLY. ONE OF THE BENEFITS  
[00:24:05] WE HAVE OF THESE GOOD RELATIONSHIPS WITH  
[00:24:06] THE AIRPORTS IS TO KNOW WHAT THEY DO.  
[00:24:08] BUT FROM MY EXPERIENCE, WHAT WE'VE BEEN  
[00:24:11] DOING IS A BEST PRACTICE. BUT WE'LL  
[00:24:13] CONTINUE TO LOOK AT THAT. OKAY. GREAT.  
[00:24:16] THAT'S REALLY HELPFUL. THANK YOU. SO I  
[00:24:18] DON'T REALLY HAVE ANY OTHER QUESTIONS.  
[00:24:20] AGAIN, JUST WOULD LOVE MORE INFORMATION  
[00:24:22] FROM THE GT STAFF ABOUT USING RFID AND  
[00:24:25] AGAIN LEARNING FROM THE MARINE SIDE OF  
[00:24:27] THINGS. SO ONE WAY, IF YOU COULD JUST  
[00:24:29] REPORT BACK AT SOME POINT, I'LL LEAVE IT  
[00:24:31] UP TO GLENN TO FIGURE OUT WHEN THAT  
[00:24:33] MIGHT BE. THAT WOULD BE WONDERFUL.  
[00:24:36] GREAT. ANY OTHER QUESTIONS,  
[00:24:40] MICHELLE, YOU WANT TO CALL THROUGH THE  
[00:24:41] ROLL ONE MORE TIME? YES, WE WILL CALL  
[00:24:45] THROUGH THE ROLE AGAIN WITH COMMISSIONER  
[00:24:46] CALKINS. NONE FOR ME.  
[00:24:49] THANK YOU, MEMBER GEHRKE. NONE FOR ME.  
[00:24:52] THANK YOU. THANK YOU, COMMISSIONER  
[00:24:53] BOWMAN. NO OTHER QUESTIONS ON THIS ITEM.  
[00:24:56] ALRIGHT, WE WILL MOVE ON OR DO WE HAVE  
[00:24:59] COMMISSIONER CHO READY TO JOIN US? I'VE  
[00:25:01] JUST TEXTED HIM TO LET HIM KNOW TO JOIN.  
[00:25:04] SO LET'S GIVE HIM A COUPLE OF SECONDS  
[00:25:06] HERE TO CALL IN. I KNOW HE IS ON THE  
[00:25:08] READY. ALRIGHT.  
[00:25:10] AND MICHELLE, WHILE YOU'RE DOING THAT I  
[00:25:13] HEARD THAT THE EXTERNAL WEBSITE STREAM  
[00:25:17] IS NOT WORKING. I DON'T KNOW IF THAT'S  
[00:25:19] ISSUE THE DEAN HAS TO TRIP DEAL WITH OR  
[00:25:21] NOT. YES, WE ARE AWARE DEAN IS WORKING  
[00:25:24] ON IT RIGHT NOW IN THE BACKGROUND. SO WE  
[00:25:25] HOPE TO HAVE THAT UP HERE SHORTLY.  
[00:25:37] WAIT, GO AHEAD. THANK YOU. I DO SEE  
[00:25:40] COMMISSIONER CHO HAS JOINED US.  
[00:25:42] AWESOME. WELCOME, COMMISSIONER CHO.  
[00:25:44] SO AT THIS TIME HI,  
[00:25:47] COMMISSIONER CHO HAS JOINED US AND HE'S  
[00:25:50] GOING TO BE HERE FOR THE REMAINDER OF

[00:25:51] THE MEETING SO THAT WE DON'T EXCEED OUR  
[00:25:54] CORE LIMITS. I'LL BE EXITING THE MEETING  
[00:25:56] AT THIS TIME AND COMMISSIONER CALKINS  
[00:25:59] WILL PRESIDE SO THANK YOU VERY MUCH AND  
[00:26:01] I WILL LEAVE NOW. THANK YOU, MISTER.  
[00:26:05] I'LL VIRTUALLY GRAB THE GAVEL FROM YOU  
[00:26:08] AND WE CAN PROCEED.  
[00:26:11] OKAY. MOVING TO OUR NEXT.  
[00:26:15] OH, I SEE. WE'RE GOING TO DO THE  
[00:26:17] APPROVAL OF THE MINUTES NEXT. SO ARE  
[00:26:20] THERE ANY CORRECTIONS TO THE MINUTES,  
[00:26:23] COMMISSIONER CHO? NO, NOT FOR ME.  
[00:26:27] AND YOU MEMBER GEHRKE NONE  
[00:26:31] FOR ME. ALRIGHT. CAN I HAVE A MOTION AND  
[00:26:35] A SECOND TO APPROVE THE MINUTES? I WILL  
[00:26:38] MOTION TO APPROVE THE MINUTES AND I'LL  
[00:26:40] SECOND THAT AND I'LL  
[00:26:46] CALL THE ROLL FOR THE VOTE.  
[00:26:47] COMMISSIONER CALKIN . HI. THANK YOU,  
[00:26:50] COMMISSIONER CHO. BYE. THANK YOU. YOU  
[00:26:53] HAVE T AS IN ZERO NOTES FOR THIS ITEM.  
[00:26:55] TERRIFIC. THANK YOU SO MUCH. OUR NEXT  
[00:26:58] ORDER OF BUSINESS IS EXTERNAL AUDITS  
[00:27:01] PRESENTERS. YES, MR.  
[00:27:04] CALKINS. JUST A NOTE FOR THE RECORD THAT  
[00:27:05] THE MINUTES ARE APPROVED. OH, SORRY  
[00:27:07] ABOUT THAT. OFFICIALLY NOW. ALRIGHT. SO  
[00:27:10] PRESENTERS FOR THE EXTERNAL AUDITS,  
[00:27:12] PLEASE UNMUTE YOURSELVES. THE COMMITTEE  
[00:27:15] MEMBERS MAY USE THE HAND RAISING TOOL TO  
[00:27:17] INDICATE THAT WE WISH TO SPEAK OR ELSE  
[00:27:19] I'LL JUST CALL FOR QUESTIONS AT THE  
[00:27:20] CONCLUSION OF THE PRESENTATION. OUR  
[00:27:23] PRESENTERS FROM THE STATE AUDITOR'S  
[00:27:24] OFFICE HAVE THE FLOOR. GLENN, WOULD YOU  
[00:27:27] MIND INTRODUCING THEM? SURE. ANGELA,  
[00:27:31] MADELINE AND JOE WILL BE TALKING TODAY.  
[00:27:34] THEY'RE GOING TO BE NAMES SHOW UP ON  
[00:27:37] THE SCREEN. SO RATHER THAN READ THEM ALL  
[00:27:40] OFF, BUT ESSENTIALLY COMMISSIONER  
[00:27:43] CALKINS AND CHO THIS IS THE OPENING  
[00:27:45] MEETING. THIS IS A KICK OFF OF STATE  
[00:27:47] AUDIT FOR THE YEAR SO THEY'LL BE TALKING  
[00:27:49] ABOUT THEIR PRESENTATION, WHAT THEY'RE  
[00:27:52] GOING TO LOOK AT THE DETAILS ABOUT HOW  
[00:27:55] THEY GO ABOUT THAT, MICHELLE, IF YOU  
[00:27:58] COULD PULL UP THE PRESENTATION FOR THEM  
[00:28:00] AND MADELINE, JOE AND ANGELA,  
[00:28:04] AS YOU WHEN READY TO ASK HER TO MOVE  
[00:28:09] TO THE NEXT SLIDE. MICHELLE, I'LL BE  
[00:28:10] HAPPY TO DO THAT FOR YOU, JOE. YOU HAVE  
[00:28:14] THE FLOOR. THANK YOU, GLENN, AND THANK  
[00:28:16] YOU COMMITTEE MEMBERS FOR THE  
[00:28:18] OPPORTUNITY TO PRESENT TODAY. AS GLENN  
[00:28:21] SAID, WE'RE HERE TO TALK ABOUT OUR  
[00:28:25] ACCOUNTABILITY AUDIT. AND AS GLENN  
[00:28:28] SAID, I'M JON SEDANS. I'M THE AUDIT  
[00:28:30] MANAGER FOR A TEAM CENTRAL KING COUNTY  
[00:28:32] HERE IN SEATTLE, AND I'M HERE WITH MADELINE  
[00:28:35] FROST-SHAFFER, ASSISTANT AUDIT MANAGER, AND  
[00:28:38] SHE'S RETURNING THIS YEAR AS THE  
[00:28:39] SUPERVISOR OF THE AUDIT. AND THEN ANGELA  
[00:28:42] FUNAMARI IS THE AUDITOR IN CHARGE, AND

[00:28:45] SHE IS RETURNING FOR THE SECOND YEAR AS  
[00:28:47] THE IN CHARGE FOR THE AUDIT. SO IF WE GO  
[00:28:50] TO THE NEXT SLIDE, AS I SAID,  
[00:28:54] THIS IS OUR ENTRANCE OR OUR  
[00:28:57] ACCOUNTABILITY AUDIT AND WE PERFORM  
[00:29:00] FINANCIAL STATEMENT, FEDERAL SIGNAL  
[00:29:02] AUDIT AND ACCOUNTABILITY AUDIT.  
[00:29:04] OBVIOUSLY, WE KNOW FOR THE PORT OF  
[00:29:05] SEATTLE YOU FINANCIAL STATEMENT AND  
[00:29:07] SIGNAL AUDIT IS PERFORMED BY MOSS ADAMS,  
[00:29:10] AND WE'LL BE REVIEWING THE WORK THAT  
[00:29:12] THEY'VE DONE. BUT WE WILL BE PERFORMING  
[00:29:14] AN ACCOUNTABILITY AUDIT, AND THAT'S  
[00:29:16] WHERE WE AUDIT FOR COMPLIANCE  
[00:29:20] WITH STATE LAWS, CONTRACTS, AGREEMENTS  
[00:29:23] AND THE PORT ON POLICIES AND PROCEDURES.  
[00:29:27] AND WE ALSO AUDIT TO DETERMINE IF  
[00:29:30] THERE'S ADEQUATE SAFEGUARDS OVER PUBLIC  
[00:29:32] RESOURCES. AND WITHIN THIS AUDIT, WE  
[00:29:35] HAVE A PRETTY WIDE SCOPE OF WHAT WE LOOK  
[00:29:37] AT, BUT IT ALL IN ONE WAY OR OTHER  
[00:29:39] TOUCHES ON FISCAL MATTERS. AND WE ALSO  
[00:29:43] PROVIDED OUR ENTRANCE DOCUMENT IN  
[00:29:46] ADDITION TO THIS SLIDE SET, AND THERE'S  
[00:29:49] SOME ADDITIONAL INFORMATION THERE FOR  
[00:29:51] YOU. SO PLEASE ASK US ANY QUESTIONS AT  
[00:29:55] ANY TIME ABOUT ANYTHING WE DO HAVE IN  
[00:29:57] THE PRESENTATION, AND ANGELA WILL TALK  
[00:30:00] ABOUT THIS ALSO, WE ARE AT THE VERY  
[00:30:01] BEGINNING STAGES OF THE AUDIT, SO WE  
[00:30:04] HAVEN'T COMPLETED OUR PLANNING YET, BUT  
[00:30:06] WE WILL BE UPDATING YOU BEYOND AND  
[00:30:09] LIAISON ONCE WE DO ARRIVE AT THE  
[00:30:11] SPECIFIC AUDIT AREAS THAT WILL BE  
[00:30:14] FOCUSING ON IN THIS AUDIT. AND WITH  
[00:30:16] THAT, IF WE COULD GO TO THE NEXT SLIDE  
[00:30:19] AND I'LL TURN IT OVER TO ANGELA.  
[00:30:22] THANK YOU, JOE. AS JOE MENTIONED  
[00:30:26] EARLIER, JUST NOW, WE WILL BE PERFORMING  
[00:30:29] THE ACCOUNTABILITY AUDIT THAT WILL COVER  
[00:30:31] FISCAL YEAR 2020. FOR THIS AUDIT, WE  
[00:30:35] UTILIZE A RISK BASED AUDIT APPROACH IN  
[00:30:39] SELECTING AREAS FOR FURTHER REVIEW. SO  
[00:30:41] AS PART OF THIS PROCESS, WE COMPLETE A  
[00:30:44] NUMBER OF AUDIT PLANNING STEPS THAT  
[00:30:46] INCLUDE CONDUCTING RISK ASSESSMENTS WITH  
[00:30:49] KEY MEMBERS OF THE PORT, REVIEWING  
[00:30:51] MINUTES OF THE GOVERNING BODY,  
[00:30:53] CONDUCTING ANALYTICAL PROCEDURES,  
[00:30:55] REVIEWING PRIOR AUDIT RESULTS, AND  
[00:30:58] ASSESSING AREA OF COMMON RISK FOR  
[00:31:00] THE PORTS ACROSS THE STATE. AT THIS TIME,  
[00:31:03] LIKE JOE MENTIONED, WE DO NOT HAVE OUR  
[00:31:06] AUDIT SCOPE IDENTIFIED. HOWEVER, WE WILL  
[00:31:09] INFORM THE MANAGEMENT TEAM AFTER WE  
[00:31:11] COMPLETE OUR PLANNING PROCEDURE AND  
[00:31:16] THEN THE NEXT SLIDE WE HAVE IS THE WORK  
[00:31:18] OF OTHER AUDITORS. SO AS JOE  
[00:31:22] MENTIONED, A LITTLE BIT EARLIER, THE  
[00:31:24] FINANCIAL STATEMENT AUDIT WAS PERFORMED  
[00:31:28] BY MOSS ADAMS, AND IT IS PROFESSIONAL  
[00:31:30] STANDARDS THAT WE CONSIDER THE WORK  
[00:31:32] PERFORMED BY OTHER AUDITORS. SO DURING

[00:31:35] THE PLANNING STEP STAGES OF OUR AUDIT,  
[00:31:38] WE WILL REVIEW THEIR WORK AND DETERMINE  
[00:31:40] IF ANYTHING CAUSES CONCERN ABOUT ITS  
[00:31:42] QUALITY.  
[00:31:45] ACCOUNTABILITY AUDITS. THEY DIFFER IN  
[00:31:47] SCOPE FROM FINANCIAL STATEMENT AND  
[00:31:49] SINGLE AUDITS. THE FOCUS OF  
[00:31:51] ACCOUNTABILITY IS TO EVALUATE THE  
[00:31:53] COMPLIANCE WITH LAWS, REGULATIONS, AND  
[00:31:55] THE GOVERNMENT'S POLICIES AS WELL AS  
[00:31:57] EVALUATE THE GOVERNMENT'S CONTROLS OVER  
[00:32:00] SAFEGUARDING PUBLIC RESOURCES. SO DUE TO  
[00:32:03] THE OBJECTIVES OF THE ACCOUNTABILITY  
[00:32:05] AUDITS, IF DURING OUR AUDIT, WE EXAMINE  
[00:32:07] SOME OF THE SAME AREAS PREVIOUSLY  
[00:32:10] COVERED, WE WILL ENSURE WE PROVIDE A  
[00:32:11] DIFFERENT APPROACH AND WILL NOT  
[00:32:13] DUPLICATE WORK ALREADY PERFORMED.  
[00:32:18] NEXT IS STAYING CONNECTED.  
[00:32:27] I'M SORRY IF I CAN HAVE THE NEXT SLIDE,  
[00:32:29] PLEASE. YES,  
[00:32:33] THANK YOU. SO AN  
[00:32:37] IMPORTANT PART OF THE OFFICE IS  
[00:32:39] CONTINUOUS COMMUNICATION BETWEEN OUR  
[00:32:41] AUDIT STAFF AND YOURS. THERE ARE A  
[00:32:43] NUMBER OF WAYS THAT WE STRIVE TO STAY  
[00:32:45] CONNECTED THROUGHOUT THE AUDIT PROCESS,  
[00:32:47] OF WHICH WE HAVE HIGHLIGHTED THE KEY  
[00:32:49] METHODS FOR YOU TODAY IT IS PRE AUDIT  
[00:32:53] MEETINGS. IT IS NEVER TOO EARLY.  
[00:32:55] PREPARE FOR AN UPCOMING AUDIT ONE WAY TO  
[00:32:58] DO THIS IS TO REQUEST A PRE AUDIT  
[00:33:00] MEETING WITH US WHERE WE SHARE  
[00:33:01] INFORMATION THAT MAY BE HELPFUL FOR THE  
[00:33:03] UPCOMING AUDIT, INTRODUCE YOU TO OUR  
[00:33:06] TEAM AND PROVIDE SOME EXTRA LEAD TIME ON  
[00:33:08] MAKING SURE YOUR QUESTIONS ARE ANSWERED  
[00:33:10] AND RECORDS ARE READY FOR AUDIT. WE ALSO  
[00:33:13] USE THIS LEAD TIME TO SHARE A PREPARED  
[00:33:15] BY CLIENT OR PBC LIST WITH YOU, WHICH  
[00:33:18] WILL PROVIDE AN ADVANCED LISTING OF  
[00:33:20] ITEMS NEEDED FOR THE UPCOMING AUDIT AT  
[00:33:25] THE START OF OUR AUDIT. WE WILL ALSO  
[00:33:27] PROVIDE AN ENGAGEMENT LETTER TO BE  
[00:33:29] SIGNED BY OUR OFFICE AND YOURS. THIS  
[00:33:32] LETTER OUTLINES THE UPCOMING AUDIT AND  
[00:33:34] EXPECTATIONS FOR EACH PARTY, AND THIS IS  
[00:33:37] A HELPFUL TOOL FOR YOU TO BE NOTIFIED OF  
[00:33:39] WHAT TO EXPECT DURING THE AUDIT PROCESS.  
[00:33:44] RISK ASSESSMENTS ARE COMMONLY CONDUCTED  
[00:33:47] EARLY ON IN THE PLANNING STAGES OF THE  
[00:33:49] AUDIT. WE REQUEST MEETINGS WITH SEVERAL  
[00:33:51] MEMBERS OF MANAGEMENT AND THE GOVERNING  
[00:33:53] BODY TO CONDUCT RISK ASSESSMENTS. THESE  
[00:33:56] MEETINGS ARE VERY IMPORTANT FOR US TO  
[00:33:59] MEET ONE ON ONE AND BETTER UNDERSTAND  
[00:34:01] YOUR OBSERVATIONS AND ANY RISK THAT WE  
[00:34:03] SHOULD BE AWARE OF FOR THE PORT WEEKLY  
[00:34:08] STATUS MEETINGS IS ONE OF OUR MOST  
[00:34:11] IMPORTANT TOOLS FOR KEEPING YOU UP TO  
[00:34:12] DATE. AS EARNING SUGGESTS, THIS IS  
[00:34:16] A REOCCURRING MEETING WITH AUDIT LIAISON  
[00:34:19] TO PROVIDE AN OVERVIEW OF THE AUDIT.

[00:34:21] IT'S A GREAT OPPORTUNITY TO DISCUSS WHAT  
[00:34:23] HAS BEEN COMPLETED, WHAT IS STILL IN  
[00:34:25] PROCESS OR NOT YET STARTED, AND DISCUSS  
[00:34:27] ANY QUESTIONS OR CONCERNS AS THEY ARISE  
[00:34:29] IN THE AUDIT ON A PROCESS.  
[00:34:34] NOW, AS WE NEAR THE COMPLETION OF THE  
[00:34:36] AUDIT, WE WILL ALSO REQUEST ASSIGN  
[00:34:38] MANAGEMENT REPRESENTATION LETTER THAT  
[00:34:40] CONFIRMS REPRESENTATIONS MEET TO US BY  
[00:34:42] THE PORT. THESE REPRESENTATIONS ARE  
[00:34:46] IMPORTANT TO ENSURING OUR AUDIT.  
[00:34:48] CONSIDER ALL INFORMATION AND THAT NO  
[00:34:50] INFORMATION WAS HELD FROM OUR STAFF TO  
[00:34:52] YOUR KNOWLEDGE. AND LASTLY, WE ARE  
[00:34:55] COMMITTED TO ENSURING YOU HAVE THE  
[00:34:57] OPPORTUNITY TO HEAR DIRECTLY FROM US ON  
[00:34:58] THE RESULT OF YOUR AUDIT. WE WILL WORK  
[00:35:01] WITH MANAGEMENT TO SCHEDULE AN EXIT  
[00:35:03] CONFERENCE, EXIT CONFERENCE MEETING, AND  
[00:35:06] INVITE ALL GOVERNING BODY MEMBERS TO  
[00:35:07] ATTEND OUR REPORT OUT. NOW, PLEASE NOTE  
[00:35:10] THAT IF A QUORUM OF GOVERNING BODY  
[00:35:13] MEMBERS PLANS TO ATTEND, THE PORT IS  
[00:35:16] RESPONSIBLE FOR ENSURING THE OPEN OPEN  
[00:35:18] PUBLIC MEETINGS ACT REQUIREMENTS ARE  
[00:35:20] SATISFIED. AND  
[00:35:25] NEXT WE HAVE IS THE LEVEL OF REPORTING.  
[00:35:30] IF THERE ARE ANY RECOMMENDATIONS, OUR  
[00:35:33] OFFICE HAS THREE LEVELS OF REPORTING  
[00:35:35] BINDINGS FORMALLY ADDRESS SIGNIFICANT  
[00:35:37] DEFICIENCIES AND MATERIAL WEAKNESSES AND  
[00:35:40] ARE INCLUDED IN THE AUDIT REPORT.  
[00:35:42] DURING THIS TIME, THE PORT WILL BE GIVEN  
[00:35:44] AN OPPORTUNITY TO RESPOND AND RESPONSE  
[00:35:46] WILL BE INCLUDED AS PART OF THE AUDIT  
[00:35:49] REPORT. MANAGEMENT LETTERS. THEY  
[00:35:52] COMMUNICATE CONTROL DEFICIENCIES.  
[00:35:53] HOWEVER, THIS LEVEL IS LESS SIGNIFICANT  
[00:35:55] THAN A FINDING. MANAGEMENT LETTERS ARE  
[00:35:58] FORMALLY COMMUNICATED TO THE GOVERNING  
[00:36:00] BODY AND ARE REFERENCED, HOWEVER, NOT  
[00:36:02] INCLUDED IN THE AUTO REPORT.  
[00:36:06] EXIT ITEMS ADDRESS CONTROLLED  
[00:36:08] DEFICIENCIES THAT HAVE AN INSIGNIFICANT  
[00:36:11] EFFECT ON THE AUDIT OBJECTIVES. THESE  
[00:36:14] RECOMMENDATIONS ARE NOT INCLUDED IN THE  
[00:36:15] AUTO REPORT AND ARE INFORMALLY  
[00:36:17] COMMUNICATED TO MANAGEMENT.  
[00:36:23] AND WITH OUR NEXT SLIDE WE HAVE IS TRACKER.  
[00:36:28] NOW, TRACKER IS A NEW PROGRAM AVAILABLE TO  
[00:36:30] OUR CLIENT PORTAL ON OUR WEBSITE THAT  
[00:36:33] ALLOWS YOU TO ACCESS PRIOR AUDIT  
[00:36:35] RECOMMENDATIONS. THIS IS A GREAT TOOL TO  
[00:36:37] EASILY RECALL PRIOR AUDIT FINDINGS AND  
[00:36:39] MANAGEMENT LETTERS WITHOUT HAVING TO  
[00:36:41] RETAIN THOSE PIER FILES. IN ADDITION,  
[00:36:44] TRACKER ALLOWS YOU TO PROVIDE INTERIM  
[00:36:47] STATUS UPDATES ON ANY PROGRESS MADE  
[00:36:48] CORRECTING THESE ITEMS. WHILE THE STATUS  
[00:36:51] UPDATES FOR ALL FINDINGS AND MANAGEMENT  
[00:36:53] LETTERS WILL BE VISIBLE TO YOU AND OUR  
[00:36:55] AUDIT STAFF, IT IS ALSO IMPORTANT TO  
[00:36:57] KNOW THAT STATUS UPDATES FOR AUDIT

[00:37:00] FINDINGS ARE ALSO VISIBLE TO THE PUBLIC.  
[00:37:02] AS SUCH, THIS TOOL CAN BE UTILIZED TO  
[00:37:05] INCREASE ACCOUNTABILITY TO YOUR CITIZENS  
[00:37:07] AND SHOW THE EFFORTS MADE TO CORRECT  
[00:37:09] THESE THESE ISSUES.  
[00:37:13] AND ON THE NEXT SLIDE, MANY WILL TALK  
[00:37:16] ABOUT SOME IMPORTANT INFORMATION.  
[00:37:18] THANKS ANGELA. SO JUST TO START, WE  
[00:37:22] REQUEST A LOT OF INFORMATION AND DATA  
[00:37:23] THROUGHOUT THE AUDIT PROCESS. IF AT ANY  
[00:37:25] POINT WE REQUEST ANYTHING THAT SENSITIVE  
[00:37:28] OR CONFIDENTIAL NATURE, PLEASE DO LET US  
[00:37:30] KNOW SO WE CAN TAKE THE PROPER STEPS TO  
[00:37:32] SAFEGUARD THAT DATA THROUGHOUT THE  
[00:37:33] AUDIT. WE'VE INCLUDED AN ESTIMATE OF  
[00:37:36] AUDIT COSTS IN YOUR ENTRANCE PACKET ON  
[00:37:39] PAGE TWO. WE ALSO WANT YOU TO BE AWARE  
[00:37:41] THAT WE HAVE A FORMALIZED AUDIT DISPUTE  
[00:37:44] PROCESS IF YOU HAVE ANY CONCERNS DURING  
[00:37:45] THE AUDIT. OBVIOUSLY, AS ANGELA  
[00:37:47] MENTIONED, COMMUNICATION IS VERY  
[00:37:48] IMPORTANT, SO WE DO MEET WITH MANAGEMENT  
[00:37:51] ON A WEEKLY BASIS. FEEL FREE TO EXPRESS  
[00:37:53] ANY CONCERNS DURING THE AUDIT DURING  
[00:37:55] THOSE MEETINGS. IF YOU FEEL YOU'RE NOT  
[00:37:56] BEING HEARD, I WANT TO RAISE IT TO  
[00:37:58] ANOTHER LEVEL. WE DO INCLUDE THE CONTACT  
[00:38:00] INFORMATION OF ADDITIONAL  
[00:38:01] REPRESENTATIVES IN THE AUDIT PACKET ON  
[00:38:03] PAGE THREE AND FOUR. LASTLY,  
[00:38:07] ON THIS SLIDE, JUST A REMINDER THAT  
[00:38:09] STATE LAW REQUIRES GOVERNMENTS TO REPORT  
[00:38:12] ANY KNOWN OR SUSPECTED LOSSES AND FRAUDS  
[00:38:15] TO OUR OFFICE. YOU CAN EASILY DO THAT  
[00:38:17] FROM OUR WEBSITE AND THEN ON THE NEXT  
[00:38:20] SLIDE, A QUESTION WE OFTEN GET IS WHO  
[00:38:23] EXACTLY AUDITS THE STATE AUDITORS.  
[00:38:25] WE'RE OUT THERE AUDITING EVERYONE. SO  
[00:38:26] IT'S AN IMPORTANT QUESTION TO ASK. WE DO  
[00:38:28] RECEIVE AN AUDIT EVERY THREE YEARS BY  
[00:38:30] THE NATIONAL STATE AUDITORS ASSOCIATION.  
[00:38:33] WE'VE INCLUDED A LINK HERE TO THE MOST  
[00:38:35] RECENT PEER REVIEW RESULTS. THE RATING  
[00:38:38] LAST RECEIVED WAS PASSED, WHICH MIGHT  
[00:38:40] NOT SEEM LIKE MUCH, BUT IT IS THE  
[00:38:42] HIGHEST LEVEL OF ASSURANCE THAT AN  
[00:38:43] EXTERNAL REVIEW TEAM CAN PROVIDE ON THE  
[00:38:46] NEXT SLIDE. SO OUR  
[00:38:51] OFFICE IS COMMITTED TO PARTNERING WITH  
[00:38:53] GOVERNMENTS THROUGHOUT THE YEAR. I WANT  
[00:38:55] TO HIGHLIGHT TWO TEAMS THAT ARE  
[00:38:56] AVAILABLE TO ASSIST GOVERNMENTS. THE  
[00:38:58] FIRST IS OUR LOCAL GOVERNMENT SUPPORT  
[00:38:59] TEAM. THEY ASSIST IN TECHNICAL MATTERS  
[00:39:02] THROUGH OUR CLIENT PORTAL. THEY'RE ABLE  
[00:39:04] TO ANSWER QUESTIONS. THEY ALSO PERFORM  
[00:39:06] TRAINING THROUGHOUT THE STATES. A LOT OF  
[00:39:08] THOSE ARE VIRTUAL RIGHT NOW, AND THEY  
[00:39:10] PROVIDE THOSE TRAINING THROUGHOUT THE  
[00:39:12] YEAR, ESPECIALLY ON REPORTING. WE ALSO  
[00:39:14] HAVE THE CENTER FOR GOVERNMENT  
[00:39:16] INNOVATION. THEY ARE VERY INVOLVED IN  
[00:39:19] CREATING A RESOURCE DATABASE. THEY'RE

[00:39:20] ALWAYS RELEASING NEW TOOLS TO HELP  
[00:39:22] GOVERNMENTS IDENTIFY BEST PRACTICES.  
[00:39:24] THEY'RE ALSO AVAILABLE TO HELP WITH  
[00:39:26] PROCESS IMPROVEMENT, FACILITATIONS, AND  
[00:39:28] HELP GOVERNMENTS BUILD A LEAN CULTURE.  
[00:39:30] WE'VE INCLUDED THEIR CONTACT INFORMATION  
[00:39:32] HERE, AND BOTH OF THESE RESOURCES ARE  
[00:39:35] AVAILABLE AT NO EXTRA CHARGE ON OUR NEXT  
[00:39:39] SLIDE. WE ALSO WANT  
[00:39:42] YOU TO BE AWARE OF SOME EMERGING ISSUES  
[00:39:44] AFFECTING LOCAL GOVERNMENTS. WE RELEASE  
[00:39:46] A QUARTERLY AUDIT CONNECTION. WE'VE  
[00:39:48] INCLUDED A LINK IN YOUR AUDIT PACKET TO  
[00:39:50] THE MOST RECENT ONE THAT WAS PUBLISHED  
[00:39:51] IN APRIL 2021. SOME ARTICLES INCLUDED IN  
[00:39:55] THIS ARE SOME NEW INTERNAL CONTROL  
[00:39:57] CHECKLIST OVER CASH RECEIVING AND PAYROLL  
[00:39:58] THAT ARE DESIGNED TO HELP GOVERNMENT  
[00:40:00] CREATE GOOD AND STRONG INTERNAL CONTROLS  
[00:40:03] TO PREVENT FRAUD. THERE'S ALSO AN  
[00:40:04] ARTICLE THAT TALKS ABOUT THE LINK  
[00:40:06] BETWEEN LEAN CULTURES AND LEADERSHIP,  
[00:40:08] AND WE ALSO HAVE AN ARTICLE IN THERE  
[00:40:10] ABOUT OUR 2020 ANNUAL REPORT. AND ON THE  
[00:40:14] NEXT SLIDE THAT WRAPS UP OUR  
[00:40:17] PRESENTATION, WE WANT TO THANK YOU ALL  
[00:40:19] SO MUCH FOR BEING HERE AND LETTING US  
[00:40:21] SHARE OUR AUDIT. WE'RE REALLY EXCITED TO  
[00:40:23] BE BACK AND PERFORMING THIS YEAR'S  
[00:40:24] ACCOUNTABILITY AUDIT AT THIS TIME. IF  
[00:40:26] YOU HAVE ANY QUESTIONS, WE'D BE HAPPY TO  
[00:40:27] ANSWER THEM. THANK YOU, MATTIE, JOE,  
[00:40:31] AND ANGELA, FOR THE PRESENTATION. THAT  
[00:40:33] WAS REALLY HELPFUL. WE'RE GOING TO RUN  
[00:40:34] AROUND THE HORN HERE AND SEE IF ANYBODY  
[00:40:36] HAS QUESTIONS. WE'LL START WITH  
[00:40:37] COMMISSIONER CHO. YEAH. THANK YOU SO MUCH  
[00:40:40] FOR THAT PRESENTATION. I'M WONDERING,  
[00:40:42] IS THE PORTAL THAT YOU GUYS PROVIDE FOR  
[00:40:43] TRANSPARENCY? YOU SAID THAT IS AVAILABLE  
[00:40:47] TO THE PUBLIC AS WELL AS TO ALL YOUR  
[00:40:49] CUSTOMER AGENCY. SO I'M WONDERING, IS IT  
[00:40:51] THE SAME PORTAL OR IS THERE A DIFFERENT  
[00:40:53] PUBLIC FACING PORTAL THEN THE ONE THAT  
[00:40:56] AGENCIES MIGHT USE TO CHECK UP ON THEIR  
[00:41:00] ONGOING AUDITS?  
[00:41:03] GREAT QUESTION. SO IF YOU'RE PART OF A  
[00:41:07] GOVERNMENT, YOU CAN LOG IN AND YOU CAN  
[00:41:08] KIND OF SEE MORE OF THE CLIENT SPECIFIC  
[00:41:10] SIDE OF THINGS. AND LIKE WE SAID, YOU  
[00:41:11] CAN SEE MANAGEMENT LETTERS IN THERE AS  
[00:41:13] WELL. AND THE PUBLIC FACING SITE. I  
[00:41:16] DON'T BELIEVE YOU NEED TO LOG IN FOR SO  
[00:41:18] YOU CAN JUST ONLY SEE THE FINDINGS IN  
[00:41:20] THERE. SO THERE ARE ACTUALLY TWO  
[00:41:21] SEPARATE SITES OR I THINK IT'S THE SAME  
[00:41:24] SITE. WHETHER OR NOT YOU LOG IN, I  
[00:41:27] BELIEVE. PERFECT. OKAY. THANK YOU SO  
[00:41:29] MUCH. YEAH. NO. GREAT QUESTION.  
[00:41:33] YOU'RE MUTED, COMMISSIONER.  
[00:41:37] SORRY. MEMBER GEHRKE, I HAVE NO  
[00:41:40] QUESTIONS. THANK YOU.  
[00:41:42] YEAH. AND FOR MYSELF, I APPRECIATE

[00:41:46] HAVING SOME CONTINUITY IN THE TEAM.  
[00:41:47] ALTHOUGH I'M NOT SERVING ON THE AUDIT  
[00:41:50] COMMITTEE THIS YEAR. I GOT MY TURN FOR A  
[00:41:53] COUPLE OF YEARS. IT'S NICE TO SEE  
[00:41:54] FAMILIAR FACES. I KNOW THAT THAT  
[00:41:56] INSTITUTIONAL KNOWLEDGE IS REALLY  
[00:41:57] IMPORTANT IN CARRYING THAT FORWARD. AND  
[00:42:02] I BELIEVE THAT OUR AUDIT TEAM HAS A  
[00:42:05] STRONG RELATIONSHIP WITH YOU ALL. SO  
[00:42:06] IT'S GREAT TO SEE THAT CONTINUITY.  
[00:42:08] CONGRATULATIONS ON YOUR PASSING GRADE,  
[00:42:12] AND I THINK  
[00:42:15] WE'LL MOVE ON FROM HERE. SO THANK YOU  
[00:42:17] ALL FOR YOUR PARTICIPATION TODAY.  
[00:42:18] THANKS FOR WORKING WITH YOU OVER THE  
[00:42:20] COURSE OF THE YEAR. THANK YOU. THANK YOU  
[00:42:24] SO MUCH. ALRIGHT,  
[00:42:27] WE'RE GOING TO MOVE ON NOW TO ITEM  
[00:42:31] NUMBER FOUR ON THE AGENDA, WHICH IS THE  
[00:42:32] APPROVAL OF THE 2022 PROPOSED BUDGET.  
[00:42:35] AND GLENN FERNANDEZ IS OUR INTERNAL AUDIT  
[00:42:37] DIRECTOR, WILL LEAD THE DISCUSSION.  
[00:42:38] GLENN, GO AHEAD. THANK YOU,  
[00:42:40] COMMISSIONER CALKINS. MICHELLE, IF YOU  
[00:42:43] COULD PULL UP THE DECK AGAIN THE MASTER  
[00:42:45] POWERPOINT DECK AND GO SLIDE TO BEAR  
[00:42:50] WITH ME JUST A MOMENT. DO GREAT.  
[00:42:53] PERFECT. SO, COMMISSIONERS, WHEN YOU  
[00:42:56] LOOK AT AN INTERNAL AUDIT BUDGET, THERE  
[00:42:58] ARE THREE COMPONENTS THAT ARE REALLY THE  
[00:43:00] GIST OF IT. OUR PAYROLL COSTS ARE  
[00:43:02] STAFFING OUTSIDE SERVICES, WHICH WE'LL  
[00:43:05] TALK ABOUT IN MORE DETAIL. THESE ARE  
[00:43:07] CONSULTING FEES OR EXTERNAL AUDIT FEES  
[00:43:10] FROM AN OUTSIDE AGENCY, THAT MIGHT  
[00:43:12] DO SOME WORK FOR US. AND FINALLY, STAFF  
[00:43:14] TRAINING, WHICH IS RELATIVELY SMALL.  
[00:43:17] IT'S MINISCULE, BUT WE SELECT  
[00:43:19] CERTIFICATIONS WE HAVE TO MAINTAIN FOR  
[00:43:21] ALL OUR STAFF. WE HAVE FCPAS, SOME ARE  
[00:43:24] CERTIFIED INTERNAL AUDITORS. SOME ARE  
[00:43:27] TECHNOLOGY AUDITORS OR SOME CONSTRUCTION  
[00:43:29] AUDITORS, AND THEY ALL CERTIFICATIONS THAT  
[00:43:31] THEY NEED TO MAINTAIN AND THAT JUST  
[00:43:33] MAKES THEM BETTER. SO INVESTING IN  
[00:43:35] TRAINING AND DEVELOPMENT AND THEIR OWN  
[00:43:37] PEOPLE IS VERY IMPORTANT, OBVIOUSLY,  
[00:43:39] WITH ANYTHING, AS WITH PRIOR YEARS WILL  
[00:43:42] FOLLOW PORT GUIDELINES AS WE DO THIS.  
[00:43:45] WELL, WE'RE GOING TO LEVERAGE  
[00:43:48] INDEPENDENT RESOURCES ON THE OUTSIDE  
[00:43:51] SERVICES, COMPLY WITH CERTAIN RCWS ON  
[00:43:55] INDEPENDENT AUDIT COSTS THAT ARE  
[00:43:56] REQUIRED FOR CONSTRUCTION PROJECTS. AND  
[00:43:58] I'LL TALK A LITTLE BIT ABOUT IT ABOUT  
[00:44:00] THAT. AND OF COURSE, GOES WITHOUT SAYING  
[00:44:03] A CONNECTION TO BABA TRAINING AND  
[00:44:05] DEVELOPMENT AND TESTING IN THAT NEXT  
[00:44:07] SLIDE, PLEASE. MICHELLE.  
[00:44:10] SORRY I MOVED MY SCREEN AROUND EARLIER  
[00:44:13] TODAY, WHICH WAS HUGE MISTAKE. SO BEAR  
[00:44:17] WITH ME A MOMENT, ACTUALLY GLUE  
[00:44:21] THAT HOLDS ALL OF THIS TOGETHER.



[00:44:22] MICHELLE,  
[00:44:25] RCW 39.10.385. SO THIS WAS  
[00:44:29] AMENDED A LITTLE BIT THIS YEAR AS WELL.  
[00:44:31] AND WHAT IT ESSENTIALLY SAYS IS THAT  
[00:44:35] ANYTIME WE DO A GC/CM TYPE PROJECT,  
[00:44:40] WE'RE ALLOWED TO DO IT AS A PORT AS  
[00:44:43] PUBLIC GOVERNMENT. WHEN IT'S IN THE BEST  
[00:44:45] INTEREST OF CONSTITUENTS. AND WHEN  
[00:44:48] WE DO THESE THINGS AND A  
[00:44:52] GENERAL CONTRACTOR MIGHT ELECT, RATHER  
[00:44:55] THAN BIDDING OUT ALL THE SUBCONTRACTORS,  
[00:44:57] THEY MIGHT ELECT TO GO OUT AND SELECT  
[00:45:00] PEOPLE THAT THEY'VE WORKED WITH IN THE  
[00:45:01] PAST. AND WHEN THEY DO THAT AND THE COST  
[00:45:04] IS ABOUT \$3 MILLION, THE RCW REQUIRES AN  
[00:45:07] INDEPENDENT IT BY THE PUBLIC BODY.  
[00:45:11] PAID FOR BY THE PUBLIC BODY BE CONDUCTED. AND THIS  
[00:45:14] IS ESSENTIALLY A RECONCILIATION OF ALL  
[00:45:16] THE BILLINGS. SO ANY BILLINGS, WE WANT  
[00:45:19] TO MAKE SURE THAT THEY COMPLY WITH THE  
[00:45:21] CONTRACT AND THAT THE CHARGES ARE  
[00:45:24] ACCURATE. SO IT'S A LOT OF WORK,  
[00:45:27] BUT IT NEEDS TO BE DONE. AND WE'RE DOING  
[00:45:31] A LOT OF GC/CM AND PROJECTS AND GOING  
[00:45:33] FORWARD. SO YOU'LL SEE A LITTLE BIT MORE  
[00:45:36] OF THESE. THE COST WHEN WE GET TO THE  
[00:45:38] COST, THEY'RE NOT VERY HIGH IN  
[00:45:40] COMPARISON TO THE PROJECT AS A WHOLE.  
[00:45:43] AND THERE ARE SITUATIONS WHERE WE MIGHT  
[00:45:45] NOT NEED ALL OF THE MONEY DEPENDING ON  
[00:45:49] HOW THE GENERAL CONTRACTOR SECURE THOSE  
[00:45:52] SUBSIDIARIES, THE SUBS.  
[00:45:55] WE'RE GOING TO BE LEADING THESE ON AN  
[00:45:58] INTERN. A LOT OF THAT IS IN 2022, AND  
[00:46:03] THESE COSTS WILL BE CAPITALIZING. WHEN I  
[00:46:06] SHOW YOU THE BUDGET LATER, YOU SEE THEM  
[00:46:08] COME IN AND GO OUT BECAUSE THEY'LL SHOW  
[00:46:10] UP IN OUR BUDGET, BUT THEY'LL BE  
[00:46:12] CAPITALIZED AND CHARGED TO THE PROJECT.  
[00:46:14] NEXT SLIDE, PLEASE. MICHELLE.  
[00:46:17] HERE WE GO AGAIN.  
[00:46:20] OKAY. A QUICK OVERVIEW OF OUR ORG  
[00:46:24] STRUCTURE AS WE BUILD OUR BUDGET UP.  
[00:46:27] ALSO, WE HAVE THREE ARMS.  
[00:46:30] ESSENTIALLY, WE HAVE DAN AND MANAGERS  
[00:46:32] ON THE FAR LEFT CONCESSION AUDITS.  
[00:46:35] THOSE ARE CONCESSIONAIRES AT THE  
[00:46:37] AIRPORT, UBER LYFT TYPE AUDITS,  
[00:46:41] AND THEN SOME OF THE OPERATIONAL AUDITS  
[00:46:44] AS WELL. IN THE MIDDLE, YOU HAVE SPENCER  
[00:46:47] BRIGHT TO MANAGES THE CAPITAL AUDITS,  
[00:46:50] AND THEN YOU HAVE BRUCE KLOUZAL AND FAR  
[00:46:53] RIGHT, THAT MANAGERS IT ON IT.  
[00:46:58] AND BRUCE IS IN GREEN THERE. SO THIS  
[00:47:02] IS, IN A NUTSHELL, IS YOU HAVE A TEAM  
[00:47:06] THAT YOU MET IN PRIOR YEARS  
[00:47:08] COMMISSIONERS, AND YOU'LL CONTINUE TO  
[00:47:10] MEET THEM FROM TIME TO TIME. WHEN WE GO  
[00:47:12] BACK TO LIVE MEETINGS. NEXT SLIDE,  
[00:47:15] PLEASE. SO JUST  
[00:47:19] FOR THE PUBLIC BENEFIT TO THE PUBLIC,  
[00:47:22] WE AND YEAH, WE PROVIDE AUDITS  
[00:47:26] AND ASSURANCE SERVICES. ESSENTIALLY, WE

[00:47:28] MAKE SURE THE PORT CONTROLS ARE  
[00:47:30] OPERATING EFFECTIVELY AND EFFICIENTLY.  
[00:47:32] WE ALSO THROUGH THE COURSE OF THAT,  
[00:47:36] WE HAVE FOUR QUARTERLY COMMITTEE  
[00:47:37] MEETINGS, AND WE HAVE NON PUBLIC  
[00:47:39] MEETINGS FOR THE IT ISSUES BECAUSE THOSE  
[00:47:42] ARE SECURITY SENSITIVE WHERE POSSIBLE.  
[00:47:45] AND WHEN WE HAVE TIME, WE ALSO HELP THE  
[00:47:47] BUSINESS, PROVIDES ADVISORY SERVICES.  
[00:47:49] WE MIGHT NOT BE DOING AN AUDIT, BUT  
[00:47:52] SOMEBODY MIGHT COME UP TO US AND SAY,  
[00:47:53] OKAY, YOU GUYS ARE EXPERTS IN THIS.  
[00:47:55] YOU'VE DONE A LOT OF WORK HERE. CAN YOU  
[00:47:57] HELP US WITH DESIGNING A PROCESS OR  
[00:47:59] CONTROL? CAN YOU REVIEW IT, HELP US OUT?  
[00:48:02] AND TO THE EXTENT THAT IT DOESN'T  
[00:48:04] COMPROMISE OUR INDEPENDENCE AND  
[00:48:05] OBJECTIVITY, WE'RE HAPPY TO HELP THEM  
[00:48:07] HELP THE BUSINESS IN MANY DIFFERENT  
[00:48:09] WAYS. WE'VE DONE IN THE PAST, AND OUR  
[00:48:11] GOAL IS TO CONTINUE TO DO THAT GO INTO  
[00:48:13] THE FUTURE. NEXT SLIDE PLACE. MICHELLE  
[00:48:17] SO, GOING BACK TO OUR OUTSIDE SERVICES.  
[00:48:22] WELL, THE AN OVERVIEW OF WHAT WE'RE  
[00:48:25] GOING TO BE SPENDING FIRST, THE EXTERNAL  
[00:48:27] PEER REVIEW. WE HAD OUR LAST PEER REVIEW  
[00:48:30] IN 2018, SO IT'S TIME TO HAVE ANOTHER  
[00:48:33] PEER REVIEW. AS MANI, JOE AND ANGELA  
[00:48:36] MENTIONED. EVEN THE FAO GETS THEIR PEER  
[00:48:39] REVIEW AND WE HAVE TO GET OURS EVERY  
[00:48:41] THREE YEARS. IT'S A REQUIREMENT FOR ALL  
[00:48:43] GOVERNMENT AUTHORS. SO WE USE LOCAL  
[00:48:47] GOVERNMENT AUDITORS THAT COME IN AND  
[00:48:49] WE'LL SPEND A WEEK OR SO WITH US. THEY  
[00:48:52] CHARGE US FOR THEIR TRAVEL AND THEY'RE  
[00:48:54] LODGING. BUT OTHER THAN THAT, THEIR  
[00:48:56] SALARIES ARE CHARGED THE OTHER  
[00:48:58] GOVERNMENTAL BODY, IT'S PART OF THE PEER  
[00:49:00] REVIEW PROCESS. SO THAT'S WHY WE GET IT  
[00:49:02] DONE FOR A REASONABLY LOW COST TO THE  
[00:49:04] EXTENT THAT THEIR TRAVEL COSTS, THE  
[00:49:06] TEAMS AND LODGING AND MEALS AND  
[00:49:08] INCIDENTALS ARE BELOW 15,000. THAT'S  
[00:49:11] WHAT WE'LL GET CHARGED, BUT WE RUN  
[00:49:12] SOMEWHERE AROUND THERE. JUST NOTE,  
[00:49:16] COMMISSIONERS, WE DID GET A PASS LAST  
[00:49:18] TIME THE SAME AS SO. SO IT'S THE HIGHEST  
[00:49:21] LEVEL. IT'S THE ONLY LEVEL YOU GET A  
[00:49:24] PASS, YOU FAIL. AND THEN I THINK THERE'S  
[00:49:27] AN OPPORTUNITY FOR IMPROVEMENT BEFORE  
[00:49:29] THE FAIL. BUT WE DID PASS, WHICH IS THE  
[00:49:31] HIGHEST. JUMPING TO ITEMS  
[00:49:36] TWO AND THREE. THESE ARE THE RCW  
[00:49:38] REQUIRED AUDITS OF GC/CMSNS.  
[00:49:43] SO WE'VE GOT THE MAIN TERMINAL  
[00:49:46] LOW VOLTAGE, WHICH BUDGET 60,004.  
[00:49:49] THE REASON WE DID THAT IS THE NOTICE  
[00:49:53] PROCEEDS IN THE MIDDLE OF NEXT YEAR. SO  
[00:49:56] WE ANTICIPATE FROM THE MIDDLE OF NEXT  
[00:49:58] YEAR ON TO THE END OF YEAR. YEAH,  
[00:50:01] 60,000 WILL BE MORE THAN ADEQUATE. THE  
[00:50:04] AIRLINE REALIGNMENT NOTICE PROCEEDS AT  
[00:50:06] THE END OF THIS YEAR. SO 120,000 FOR THE

[00:50:10] ENTIRE YEAR. I WANT TO NOTE THAT YOU  
[00:50:13] HAVE THE LOW VOLTAGE PROJECT IS  
[00:50:17] IN THE \$50 MILLION RANGE AND  
[00:50:20] THE AIRLINE REALIGNMENT IS PRETTY MUCH  
[00:50:22] SIMILAR SPEND WITH  
[00:50:26] THOSE LARGE SPENT ITEMS. THESE ARE  
[00:50:28] RELATIVELY SMALL AMOUNTS AND THEY WILL  
[00:50:29] BE CAPITALIZED WITH THE PROJECT. AND IF  
[00:50:32] IN THE EVENT THAT THE GENERAL  
[00:50:34] CONTRACTORS USE A BIT OUT THERE SO  
[00:50:38] THAT WE DON'T HAVE TO DO IT, THEN WE'RE  
[00:50:40] NOT GOING TO USE THE MONEY AND IT WILL  
[00:50:42] BE TURNED BACK TO THE PORT. THE LAST  
[00:50:46] AUDIT THAT WE HAVE ON HERE IS IA FOR THE  
[00:50:48] INTERNATIONAL ARRIVALS FACILITY. THIS  
[00:50:50] WAS NOT REQUESTED BY COMMISSION BOWMAN  
[00:50:52] AND COMMISSIONER CHO AT THE LAST AUDIT  
[00:50:55] COMMITTEE MEETING. WE TALKED ABOUT  
[00:50:56] SOMETHING THAT WE'LL LOOK AT NEXT YEAR.  
[00:50:58] YOU KNOW, IT'S A LOT OF WORK TO LOOK  
[00:51:01] BACK AND AND LOOK AT A HUGE PROJECT SUCH  
[00:51:05] AS THE IS. SO WE ARE GOING TO BE LOOKING  
[00:51:07] FOR SOME OUTSIDE RESOURCES TO HELP US WITH  
[00:51:09] THAT. OUR HOPE IS THAT IN THIS AS  
[00:51:13] WE LOOK AT THIS, IF WE FIND  
[00:51:17] OPPORTUNITIES WHERE WE'VE BEEN  
[00:51:18] OVERCHARGED THOSE BE RECOUPED TO PAY  
[00:51:23] BACK TO THE PORT IF THAT'S IN THE EVENT  
[00:51:25] WE DO NEXT SLIDE. MICHELLE SO,  
[00:51:32] AS I MENTIONED THAT I DID A LOT OF  
[00:51:34] TALKING IN THE PREVIOUS SLIDE ON THE  
[00:51:37] PEER REVIEW. SO I WON'T GO OVER THAT  
[00:51:40] AGAIN. AND I DID A LOT ON THE GC/CM AND  
[00:51:43] INDEPENDENT AND IT'S THERE. SO I WON'T  
[00:51:46] GO INTO A LOT OF DETAIL AGAIN. BUT THIS  
[00:51:47] IS JUST A SUMMARY SLIDE BACK AND THE  
[00:51:51] I ONE MORE SLIDE FOR THAT  
[00:51:54] LET'S HOLD THERE MICHELLE. HE IS,  
[00:51:58] AS I MENTIONED, IT'S A VERY DETAILED  
[00:52:02] REVIEW OF THE COSTS THAT WE PLAN ON  
[00:52:03] DOING. AND IF THERE ARE ANY POTENTIAL  
[00:52:05] OVER BILLINGS, ESPECIALLY IN THE CHANGE  
[00:52:08] ORDERS, WE'RE SEEING A LOT OF CHANGE  
[00:52:09] ORDERS, THE WORK THAT WE'RE DOING, A LOT  
[00:52:12] OF MISTAKES AND OPPORTUNITIES TO MAYBE  
[00:52:15] CLAW BACK SOME FUNDS HERE AND THERE.  
[00:52:19] BUT THE IF IS HUGE.  
[00:52:21] THERE'S JUST A LOT TO LOOK AT. I WILL  
[00:52:24] NOTE THAT ACOM OR AN OUTSIDE FIRM WAS  
[00:52:27] ENGAGED TO LOOK AT CERTAIN THINGS AND  
[00:52:31] DO CERTAIN RECONCILIATIONS OF THE PAY  
[00:52:33] APS AND WILL BE LEVERAGING OFF THEIR  
[00:52:35] WORK AND REVIEWED THEIR WORK AS WELL.  
[00:52:37] NEXT SLIDE MICHELLE SO OUR  
[00:52:42] TRAINING BUDGET OF THE THREE  
[00:52:45] COMPONENTS, THE BULK OF OUR TRAINING,  
[00:52:48] AS I MENTIONED, EMPLOYEE TRAINING AND  
[00:52:50] DEVELOPMENT RELATED, THERE'S VERY LITTLE  
[00:52:53] IN AIRFARE THERE WILL BE SOME WERE  
[00:52:54] ANTICIPATING SOME TRAVEL FOR TRAINING  
[00:52:56] NEXT YEAR AS THINGS OPEN UP. BUT THE  
[00:53:00] BULK OF OUR COSTS ARE JUST REGISTRATION  
[00:53:03] AND SEMINAR FEES PEOPLE TO REGISTER

[00:53:05] FOR THESE TRAININGS. THE MEMBERSHIP DUES  
[00:53:08] AND FEES ARE FOR THE PROFESSIONAL  
[00:53:10] ORGANIZATIONS THAT WE BELONG TO AND FOR  
[00:53:13] THE LICENSES THAT WE HOLD, SUCH AS CPA  
[00:53:16] LICENSES, AND WE BELONG TO AIRPORT  
[00:53:21] AUDITORS ASSOCIATION, AIRPORT AUDITORS AND  
[00:53:23] LOCAL GOV AND AUDITORS. SO WE PAY INTO  
[00:53:26] THOSE AS WELL TO MAINTAIN TO SUPPORT  
[00:53:28] THEM, AND WE GET A LOT OF BENEFIT FROM  
[00:53:30] THEM AS WELL. SO WITH THE TNC AUDIT,  
[00:53:33] FOR INSTANCE THAT WE TALKED ABOUT, IF I  
[00:53:35] WANTED TO FIND OUT WHAT OTHER AIRPORTS  
[00:53:37] ARE DOING, I HAVE THE ABILITY TO SEND AN  
[00:53:39] EMAIL OUT TO ALL MY PEERS AT EVERY  
[00:53:41] AIRPORT IN THE UNITED STATES AND GET A  
[00:53:43] RESPONSE BACK AS TO WHAT THEY'RE DOING  
[00:53:45] FOR A PARTICULAR CONTROL AND NOT ALL  
[00:53:48] MIGHT RESPOND, BUT I'LL GET ENOUGH OF A  
[00:53:50] SAMPLE SO THAT'S A REALLY GOOD ITEM OVER  
[00:53:53] THERE. ASSET TO HAVE. NEXT SLIDE,  
[00:53:56] PLEASE, MICHELLE AND THIS IS OUR  
[00:54:00] COMPREHENSIVE VIEW OF THE BUDGET 2022  
[00:54:04] BUDGET. IT'S GOING TO BE 1.8 MILLION.  
[00:54:07] THE 180,000  
[00:54:11] NEGATIVE THAT YOU SEE DOWN THERE FOR THE  
[00:54:13] OUTSIDE SERVICE IS 108,000 AND THOSE  
[00:54:17] COSTS WILL BE CAPITALIZED. THE 2021  
[00:54:20] BUDGET OR ACTUALS ARE COMING IN RIGHT  
[00:54:22] ABOUT ON BUDGET. SO THE FULL GAS. THE  
[00:54:25] BUDGET IS PRETTY MUCH GOING TO BE ABOUT  
[00:54:26] THE SAME, NOT MATERIALLY DIFFERENT. SO  
[00:54:29] NOT A BIG INCREASE. YOU KNOW, THERE'S  
[00:54:32] JUST STANDARD SALARIES AND WAGE  
[00:54:34] INCREASES THAT ARE UNIVERSAL ACROSS THE  
[00:54:36] PORT. AND THE BIGGEST THING WOULD BE  
[00:54:39] DOING THE IAF AND SOME OUTSIDE  
[00:54:43] SERVICES AT ALL. CONTENT GROWTH I WILL  
[00:54:46] TAKE QUESTIONS AT THIS POINT BEFORE I  
[00:54:47] MOVE ON TO ANY FURTHER SLIDES. COMMISSIONER CALKINS  
[00:54:51] AND MICHELLE, HOW YOU RUN IT? SO MR.  
[00:54:55] CALKINS, I CAN RUN THROUGH THE ROLE. PLEASE  
[00:54:57] DO. BEGINNING WITH COMMISSIONER CHO, I  
[00:55:00] DON'T THINK I HAVE ANY QUESTIONS. THANK  
[00:55:02] YOU THOUGH. THANK YOU, COMMISSIONER  
[00:55:04] MEMBER GEHRKE. I DON'T HAVE ANY QUESTIONS.  
[00:55:08] THANK YOU, COMMISSIONER CALKINS. GLENN,  
[00:55:11] JUST KIND OF AN INTERNAL BUDGET PROCESS.  
[00:55:15] QUESTIONS. WE VOTE ON THIS TODAY. IF WE  
[00:55:18] APPROVE IT, IT THEN GETS ROLLED UP INTO  
[00:55:20] THE LARGER ORGANIZATIONAL BUDGET. OR IS  
[00:55:22] THE AUDIT BUDGET REALLY SET ASIDE AS  
[00:55:24] IT'S KIND OF A LITTLE ISLAND IN THE  
[00:55:26] BUDGETING PROCESS. NOW YOU  
[00:55:30] DO VOTE ON IT TODAY. SO AS YOU VOTE ON  
[00:55:32] IT TODAY, YOU PASS IT ONTO THE WHOLE  
[00:55:34] COMMISSION FOR APPROVAL. SO FROM HERE,  
[00:55:36] AFTER YOU VOTE ON IT, IT GETS APPROVED  
[00:55:40] AND YOU ACTUALLY MAKE A RECOMMENDATION  
[00:55:43] AND THEN THIS GETS ROLLED INTO THE  
[00:55:46] ENTIRE CORPORATE BUDGET. AND WHEN THE  
[00:55:47] ENTIRE CORPORATE BUDGET IS APPROVED AT  
[00:55:50] THAT POINT, THIS IS A DROP IN THE BUCKET  
[00:55:52] FOR THE ENTIRE BUDGET THAT YOU PROBABLY

[00:55:54] WON'T SEE IT AGAIN, BUT IT'LL BE  
[00:55:56] EMBEDDED IN THERE. AND THEN WHEN THAT  
[00:55:58] WHOLE BUDGET IS APPROVED AT A LATER DATE  
[00:56:00] BY THE COMMISSION, THIS WILL GET  
[00:56:01] APPROVED AT THAT POINT. OKAY, GREAT.  
[00:56:04] THANKS. THAT HELPS. ALRIGHT,  
[00:56:07] I THINK THAT WRAPS UP WITH QUESTIONS.  
[00:56:09] AND FOR THIS, I BELIEVE YOU HAVE TO VOTE  
[00:56:13] ON IT. ALRIGHT, SO HEARING NO FURTHER  
[00:56:15] DISCUSSION. IS THERE A MOTION TO APPROVE  
[00:56:17] ITEM NUMBER FOUR RECOMMENDING APPROVAL  
[00:56:20] OF 2022 BUDGET? SO MOVED.  
[00:56:25] AND I'LL SECOND THAT. AND CLERK HART,  
[00:56:27] CAN YOU PLEASE CALL THE ROLL? YES.  
[00:56:29] BEGINNING WITH COMMISSIONER CHO. AYE.  
[00:56:31] THANK YOU, COMMISSIONER CALKINS. I AM AN  
[00:56:35] AYE AND WITH THAT THE MOTION IS  
[00:56:37] APPROVED. ALRIGHT,  
[00:56:40] IF THERE ARE, I DON'T BELIEVE THERE'S  
[00:56:44] ANY OTHER QUESTIONS ON THIS AT THIS  
[00:56:46] TIME. SO I THINK WE'RE GOING TO MOVE ON  
[00:56:47] TO OUR AUDIT PLAN UPDATE, WHICH IS ITEM  
[00:56:51] NUMBER FIVE ON THE AGENDA. AND GLENN,  
[00:56:52] YOU'RE GOING TO LEAVE THAT DISCUSSION AS  
[00:56:54] WELL. QUICK UPDATE. NEXT SLIDE, PLEASE.  
[00:56:57] MICHELLE. YEAH,  
[00:57:01] IT'S A BENEFIT OF THE PUBLIC BECAUSE  
[00:57:03] THIS IS ALL POSTED IN AN EXTERNAL  
[00:57:04] WEBSITE. I JUST WANT TO HIGHLIGHT YOU  
[00:57:07] AND WHERE WE ARE AT THE AUDIT PLAN.  
[00:57:09] COMMISSIONERS, WE ARE IN PRETTY GOOD  
[00:57:11] SHAPE. WE DO PLAN ON COMPLETING  
[00:57:13] EVERYTHING WITH ONE EXCEPTION THAT  
[00:57:16] YOU'RE NOTING. I'M GOING TO NOTE OVER  
[00:57:19] HERE THE T2 AIRPORT PARKING GARAGE  
[00:57:21] SYSTEM. IT'S BEEN ON THE PLAN.  
[00:57:24] THE REASON WE'RE NOT DOING IT THIS YEAR  
[00:57:27] IS BECAUSE IT HASN'T BEEN IMPLEMENTED  
[00:57:30] YET. IT'S IN THE PROCESS BEING  
[00:57:31] IMPLEMENTED BECAUSE IT'S CODE HAS BEEN  
[00:57:32] PUSHED DOWN. SO THERE'S REALLY NOTHING  
[00:57:34] TO AUDIT UNTIL NEXT YEAR. SO WITH THAT  
[00:57:37] THEY'RE GOING TO BE WRAPPING IT UP CLOSE  
[00:57:40] TO THE END OF THIS YEAR, MAYBE WELL INTO  
[00:57:42] NEXT YEAR. SO WE'LL PUT THAT IN THE NEXT  
[00:57:44] YEAR'S AUDIT PLAN WE DID PICK UP IS THE  
[00:57:47] DATA RECOVERY CAPABILITIES AUDIT. IF WE  
[00:57:50] RECALL AT THE BEGINNING OF THE YEAR, WE  
[00:57:52] HAVE A CONTINGENCY AUDIT PLAN FOR THE  
[00:57:55] DIRECTOR'S. DISCRETION IS AN AUDIT HAS  
[00:57:57] TO BE REMOVED TO KEEP BUSY. WE CAN PICK  
[00:58:01] UP SOMETHING ELSE AND THROW IT OUT THERE  
[00:58:03] AND DISCUSS IT WITH IT AS WELL OVER THE  
[00:58:06] BUSINESS. AND THEN WE'LL REPLACE ONE  
[00:58:09] AUDIT WITH ANOTHER. SO WE'RE GOING TO BE  
[00:58:11] REPLACING THE AIRPORT PARKING GARAGE  
[00:58:13] SYSTEM THAT HAS DELAYED THE INFORMATION  
[00:58:17] BEING DELAYED WITH DATA RECOVERY  
[00:58:20] CAPABILITIES. I ALSO WANT TO HIGHLIGHT  
[00:58:22] THAT PCI PAYMENT CARD INDUSTRY AUDIT.  
[00:58:26] WE WERE GOING TO GET THAT COMPLETED FOR  
[00:58:30] THIS AUTO COMMITTEE MEETING, BUT IT WILL  
[00:58:33] NOT BE COMPLETED TILL THE END OF THIS

[00:58:34] MONTH. SO WE WILL BE PRESENTING THAT IN  
[00:58:37] THE DECEMBER AUTO COMMITTEE MEETING. WE  
[00:58:40] ARE DOING THAT IN HOUSE. IT'S QUITE A  
[00:58:41] LOT OF WORK, BUT IT WILL BE PRESENTED IN  
[00:58:44] DECEMBER IN THE SECURITY SENSITIVE  
[00:58:47] SESSION OR THE NON PUBLIC SESSION  
[00:58:49] BECAUSE A LOT OF THIS STUFF IS SECURITY  
[00:58:52] SENSITIVE. YOU KNOW, THE 333 SECURITY  
[00:58:56] CONTROLS THAT WE LOOKED AT. WE'LL GIVE  
[00:58:59] YOU A QUICK OVERVIEW OF THAT IN  
[00:59:01] DECEMBER. WOULD THAT NEXT SLIDE,  
[00:59:04] PLEASE, MICHELLE, A QUICK  
[00:59:09] OVERVIEW OF OUR AUDITS AND WHERE WE  
[00:59:12] STAND. AND THIS CAN CHART SHOWS THAT  
[00:59:15] EVERYTHING IN GREEN IS DONE. EVERYTHING  
[00:59:18] IN YELLOW WILL BE PRESENTED IN DECEMBER.  
[00:59:20] SO DECEMBER IS GOING TO BE VERY BUSY AUDIT  
[00:59:22] COMMITTEE MEETING. AND THE ITEM IN  
[00:59:24] READ THE T2 PARKING GARAGE HAS BEEN  
[00:59:26] PUSHED INTO 2022 AS WE DISCUSSED. THE  
[00:59:32] YEAH, THAT'S IT ON THE AUDIT PLAN  
[00:59:35] UPDATE. IF ANYONE HAS A COMMISSIONER OR  
[00:59:37] MICHELLE, IF YOU WANT TO TAKE THE ROLL  
[00:59:39] CALL, IF ANYONE HAS ANY QUESTIONS, I  
[00:59:40] ANSWER THEM. AT THIS POINT, WE CAN RENT  
[00:59:44] THREE BEGINNING WITH COMMISSIONER CHO  
[00:59:45] FOR ANY QUESTIONS. NO, I'M GOOD. THANK  
[00:59:48] YOU. THANK YOU, MEMBER GEHRKE, I DON'T HAVE  
[00:59:52] ANY QUESTIONS. THANK YOU, COMMISSIONER  
[00:59:54] CALKINS.  
[00:59:58] AND I THINK MY MIND IS JUMPING TO THIS  
[01:00:01] BECAUSE OF THE NEWS TODAY COMING OUT OF  
[01:00:03] THE WHITE HOUSE. BUT I WONDER IF THERE  
[01:00:05] IS ANY VALUE TO US AND  
[01:00:09] IT MIGHT BE A 2022 ISSUE,  
[01:00:14] BUT THINKING ABOUT AN AUDIT OF OUR COVID  
[01:00:18] RELATED SAFETY AND SECURITY PROTOCOLS,  
[01:00:21] MAYBE KIND OF LOOK BACK TO SEE HOW  
[01:00:25] THOSE PROCESSES WENT. IF THERE WERE  
[01:00:28] THINGS THAT WE COULD HAVE DONE TO EITHER  
[01:00:31] SAVE COSTS OR, MORE IMPORTANTLY, TO  
[01:00:32] PREVENT UNDUE HOSPITALIZATIONS  
[01:00:36] OR MORTALITIES ASSOCIATED WITH PORT  
[01:00:40] EMPLOYEES, CONTRACTORS, ET CETERA. I  
[01:00:43] HAVE BEEN EXTRAORDINARILY IMPRESSED WITH  
[01:00:46] PORT EXECUTIVE LEADERSHIP THROUGHOUT  
[01:00:48] THIS PROCESS, BUT THIS MAY BE  
[01:00:52] AN OPPORTUNITY FOR US TO EVALUATE IN  
[01:00:54] HINDSIGHT WELL, WHAT WE POORLY AND HOW  
[01:00:56] WE MIGHT DO BETTER IN PLANNING FOR THESE  
[01:00:59] KIND OF EXIGENCIES WHEN THEY COME UP IN  
[01:01:01] THE FUTURE. ABSOLUTELY. COMMISSIONER, I  
[01:01:04] THINK A VERY GOOD RECOMMENDATION. I KNOW  
[01:01:06] ON THE HEALTH SIDE, TERESA COMES  
[01:01:10] AND TEAM HAVE DONE AN OUTSTANDING JOB,  
[01:01:12] BUT THERE'S STILL OPPORTUNITIES OUT  
[01:01:13] THERE AND VERY WELL SAID WE WILL,  
[01:01:17] ESPECIALLY THE CAPITAL COVID CHANGE  
[01:01:20] ORDERS. THERE'S CLEARLY SOME THINGS THAT  
[01:01:22] WE SAW AND WE IDENTIFIED THIS YEAR AND  
[01:01:25] PROBABLY A LOT OF OTHER THINGS OUT  
[01:01:27] THERE. SO I WOULD DEFINITELY MAKE NOTE  
[01:01:28] OF IT BRINGING FORTH TO COMMISSIONER CHO

[01:01:31] AND BOWMAN IN DECEMBER. YEAH, I THINK  
[01:01:34] THAT'S A TERRIFIC IDEA. AND ALSO ON THE  
[01:01:37] PROCUREMENT SIDE AS WELL. I KNOW WE MADE  
[01:01:39] A LOT OF EMERGENCY PROCUREMENTS BECAUSE  
[01:01:41] OF COVERAGE LIKE HAND SANITIZERS AND  
[01:01:43] OTHER THINGS, BUT PRESERVING SOME OF  
[01:01:47] THE KNOWLEDGE WE GAINED FROM HAVING TO  
[01:01:49] MAKE THOSE UNEXPECTED PROCUREMENTS WOULD  
[01:01:52] BE HELPFUL FOR THE FUTURE, NOT JUST  
[01:01:54] PANDEMIC, BUT ANY EMERGENCY SITUATION.  
[01:01:56] SO I WHOLEHEARTEDLY AGREE WITH  
[01:01:59] COMMISSIONER CALKINS. [inaudible 01:02:02]  
[01:02:02] COMMISSIONER CHO. THANK YOU VERY MUCH.  
[01:02:06] OKAY. AT THIS POINT, WE'RE GOING TO MOVE  
[01:02:09] ON TO ITEM NUMBER SIX, WHICH IS THE OPEN  
[01:02:11] ISSUES FOLLOW UP. AND GLENN YOU'RE  
[01:02:13] LEADING THAT AS WELL. YES.  
[01:02:16] IF YOU LOOK AT THIS CHART, THE FIRST ONE  
[01:02:19] SHOWS YOU FROM THE REPORT DATE, HOW LONG  
[01:02:22] ISSUES HAVE BEEN OUTSTANDING. AND  
[01:02:26] THERE'S 15 ISSUES  
[01:02:30] THAT HAVE BEEN OUTSTANDING FOR MORE THAN  
[01:02:32] TWO YEARS, AND WE'VE KIND OF LISTED SOME  
[01:02:35] OF THEM DOWN BELOW A LOT OF THEM ARE IT  
[01:02:38] ISSUES AND IT'S NOT NECESSARILY THAT IT  
[01:02:46] IS WORSE THAN THE REST OF THE BUSINESS.  
[01:02:48] THE IT IS A LOT OF SMALLER ITEMS  
[01:02:52] THAT TAKE TIME TO FIX. SO CLEARLY  
[01:02:54] THERE'S SOME BIG ITEMS IN THERE AS WELL.  
[01:02:56] BUT WE'LL BE TALKING ABOUT THAT THE NON  
[01:02:58] PUBLIC SESSION, JUST BECAUSE THE  
[01:03:00] SECURITY SENSE OF NATURE OF THOSE ON THE  
[01:03:04] ISSUES THEMSELVES. CHRISTINA GEHRKE AND I  
[01:03:07] HAD QUITE A DISCUSSION YESTERDAY, BUT  
[01:03:09] CHRISTINE, I DID WANT TO POINT OUT THAT  
[01:03:12] ON THE LEFT HAND SIDE CHART, THE  
[01:03:14] OUTSTANDING ISSUES FROM REPORT DATE. WE  
[01:03:16] HAD 39 ISSUES LAST TIME, AND WE'RE DOWN  
[01:03:19] TO 34. SO THERE IS SOME IMPROVEMENT  
[01:03:21] THERE ON THE ISSUES FROM TARGET DATE.  
[01:03:25] WE HAD 35 AND THEY'VE COME DOWN TO 30,  
[01:03:27] SO THEY ARE REDUCING AND THEY ARE  
[01:03:29] GETTING BETTER. ONE THING TO NOTE IS  
[01:03:32] LIKE I SAID, THERE ARE SOME ISSUES THAT  
[01:03:34] ONE TO TWO YEAR BAR HAS GONE UP QUITE A  
[01:03:36] BIT ON ON THE RIGHT HAND SIDE CHART  
[01:03:41] FROM TARGET DATE. AND A LOT  
[01:03:45] OF TIMES BECAUSE THE ISSUES, SOME OF THE  
[01:03:46] ISSUES ARE COVID RELATED THAT  
[01:03:50] JUST CAN'T BE DONE, OR WE HAVE TO TAKE A  
[01:03:52] CLOSER LOOK AT AND SEE IF THEY STILL  
[01:03:54] MAKE SENSE. SO ONE OF THE THINGS I WANT  
[01:03:56] TO DO IS IN THE NEXT QUARTER, GET WITH  
[01:03:58] THE BUSINESS AND IDENTIFY THOSE AND IF  
[01:04:01] THEY'RE NOT GOING TO DO IT, AND IF IT  
[01:04:02] DOESN'T MAKE SENSE ANYMORE, YOU KNOW,  
[01:04:05] I MEAN, I THINK THEY'RE ALL IMPORTANT,  
[01:04:09] BUT IT'S A LEVEL OF PRIORITY. WHAT'S  
[01:04:11] MORE IMPORTANT RIGHT NOW? AND IF IT'S  
[01:04:13] GOING TO BE TEN YEARS DOWN THE ROAD,  
[01:04:16] MAYBE WE'LL TAKE A MANAGEMENT SHOULD  
[01:04:17] ACCEPT THE RISK AS WE DISCUSS. WE CAN  
[01:04:20] MOVE IT OUT, REMOVE IT FROM THE CHART

[01:04:22] AND SAY YOUR MANAGEMENT EXCEPT THE RISK.  
[01:04:25] AND I'LL PRESENT YOU WITH A LISTING OF  
[01:04:27] THE ITEMS THAT WE'RE GOING TO BE CLOSING  
[01:04:29] OUT OF BECAUSE IT'S LOW RISK. IT'S A  
[01:04:32] HIGH IMPACT WITH LOW RISK, AND IT'S  
[01:04:37] GOING TO TAKE YEARS TO COMPLETE, SO  
[01:04:40] THAT'S IT IN A NUTSHELL AND FOLLOW UP  
[01:04:42] THE DETAILS IN AN APPENDIX. A WOULD SHOW  
[01:04:46] YOU ALL THE OPEN ISSUES. AND IF ANYBODY  
[01:04:49] DOES WANT MORE DETAILS, I'M HAPPY TO GET  
[01:04:52] THOSE. I'LL TAKE QUESTIONS.  
[01:04:56] CLERK HART, YOU ON? NO, I LET'S START  
[01:04:59] QUESTIONS WITH COMMISSIONER CHO. I DON'T  
[01:05:05] THINK I HAVE ANY QUESTIONS RIGHT NOW.  
[01:05:08] THANK YOU. COMMISSIONER MEMBER GEHRKE.  
[01:05:11] YEAH, NOT A QUESTION. BUT KIND OF  
[01:05:14] A COMMENT? WE HAD THIS CONVERSATION,  
[01:05:17] BUT I JUST WANTED TO DO IT ON THE RECORD  
[01:05:20] THAT I AGREE THAT IF IT KEEPS GETTING  
[01:05:22] MOVED OUT, MANAGEMENT IS DEFACTO  
[01:05:25] ACCEPTING THE RISK, EVEN THOUGH IT MAY  
[01:05:28] HAPPEN. AND INSTEAD OF TRACKING  
[01:05:30] SOMETHING THAT MANAGEMENT BASICALLY IS  
[01:05:33] ACCEPTING A RISK FOR THE PERIOD OF TIME,  
[01:05:35] I'D RATHER HAVE IT REPORTED AS RISK  
[01:05:38] ACCEPTED. BUT MAKE SURE SOMETHING'S  
[01:05:40] REPORTED TO THE AUDIT COMMITTEE. SO  
[01:05:41] THEY'RE CLEAR ABOUT WHAT THE RISK IS  
[01:05:43] THAT'S NOT BEING MITIGATED AND IS BEING  
[01:05:46] ACCEPTED FOR A PERIOD OF TIME.  
[01:05:51] IT'S A LOT OF JUST TRACK ISSUES TO TRACK  
[01:05:54] ISSUES THAT AREN'T GOING TO BE RESOLVED  
[01:05:55] IN A LONG PERIOD OF TIME. I AM GLAD THAT  
[01:05:59] THE NUMBER OF ISSUES ARE COMING DOWN. I  
[01:06:01] AM CONCERNED ABOUT THE NUMBER THAT ARE  
[01:06:04] OUTSTANDING FOR OVER TWO YEARS AND  
[01:06:09] BEING OUTSTANDING FOR OVER TWO YEARS.  
[01:06:12] THERE IS A CHANCE THAT IT MAY NOT  
[01:06:15] BE RELEVANT ANYMORE. SO I WOULD LIKE TO  
[01:06:17] GO BACK AND RELOOK AT THEM BECAUSE AND  
[01:06:21] MAKE SURE THEY ARE STILL RELEVANT.  
[01:06:27] THANK YOU. MEMBER GEHRKE. GLENN,  
[01:06:31] IS THERE A RESPONSE? NO,  
[01:06:35] I THINK MEMBER GEHRKE SHE SPOT ON.  
[01:06:38] AND THAT'S EXACTLY WHAT WE'RE GOING TO  
[01:06:40] DO AND TALK A LITTLE BIT ABOUT THAT.  
[01:06:42] YESTERDAY. I DO PLAN ON SITTING WITH THE  
[01:06:44] BUSINESS AND GOING THROUGH THE ONE THAT  
[01:06:47] ARE OUTSTANDING FOR THE TWO YEARS AND,  
[01:06:51] YOU KNOW, IF THEY'VE ACCEPTED THE RISK  
[01:06:54] OR IF IT'S JUST SOMETHING  
[01:06:58] THAT CAN'T BE DONE FOR ANOTHER TEN  
[01:06:59] YEARS. LIKE MEMBER GEHRKE SAID, WE'RE NOT  
[01:07:02] GOING TO TRACK THAT, SAYING MORE, BUT WE  
[01:07:03] WILL BRING IT TO THE COMMISSION TO THE  
[01:07:05] AUDIT COMMITTEE IN DECEMBER. CAN  
[01:07:08] HIGHLIGHT THOSE. AND THERE'LL BE A LOT  
[01:07:09] THAT WILL BE IN THE SECURITY SENSITIVE  
[01:07:11] OR THE NON PUBLIC SESSION. SO,  
[01:07:14] YOU KNOW, ALL THE IT ISSUES WILL BE  
[01:07:17] DISCUSSED THERE AND THEN A FEW OF THEM,  
[01:07:20] VERY FEW, I THINK, WILL BE PUBLIC  
[01:07:23] SESSION BECAUSE MOST OF THOSE ARE IN THE



[01:07:25] PROCESS OF BEING DONE. AND I JUST MAYBE  
[01:07:28] ANOTHER YEAR OF TWO OUT, FOR EXAMPLE,  
[01:07:30] THE THE FIRST ONE FISHING IN COMMERCIAL  
[01:07:34] OPERATIONS OF MANUAL BILLING PROCESS.  
[01:07:37] WE STARTED TO LOOK OUT FOR A VENDOR TO  
[01:07:40] BUILD A SYSTEM, AND HE GOT A VENDOR AND  
[01:07:43] IT TURNED OUT THAT SYSTEM DIDN'T WORK.  
[01:07:47] SO WE'RE BUILDING IT IN-HOUSE AND THAT  
[01:07:51] ADDITIONAL COST AND TIME AND SLOWED IT  
[01:07:53] DOWN. BUT THEY ARE WELL ON THEIR WAY.  
[01:07:54] THAT ONE WILL STAY OPEN WITH THE OTHER  
[01:07:56] ONES AS WE DISCUSSED ON THE PHONE.  
[01:08:01] THANK YOU, COMMISSIONER CALKINS, FOR  
[01:08:04] QUESTIONS. NO FURTHER QUESTIONS FOR ME  
[01:08:07] ON THIS TOPIC. OKAY.  
[01:08:11] WHERE WE ARE HERE, I BELIEVE NOW WE'RE  
[01:08:14] GOING ON TO THE OPERATIONAL AUDITS  
[01:08:16] BEGINNING WITH THE FIRST ONE, THE NUMBER  
[01:08:19] ITEM NUMBER SEVEN, THE BAGGAGE  
[01:08:21] OPTIMIZATION. GLENN, GO AHEAD. SO I  
[01:08:24] SHOW, AS YOU KNOW, WE'RE GOING TO TALK  
[01:08:25] ABOUT BAGGAGE OPTIMIZATION. TNCS WE'RE  
[01:08:28] COVERED ALREADY, SO WE'RE NOT GOING TO  
[01:08:29] COVER THOSE. WE'RE GOING TO SKIP OVER  
[01:08:30] THOSE AND THEN FRUIT AND FLOWER WAS A  
[01:08:33] CLEAN AUDIT. SO THAT'LL BE RELATIVELY  
[01:08:35] EXTREMELY QUICK, A ONE PAGE SLIDE. NEXT SLIDE,  
[01:08:39] PLEASE. SO THE BAGGAGE OPTIMIZATION  
[01:08:43] PHASE TO QUITE A LARGE PROJECT. I  
[01:08:46] BELIEVE WE'RE GOING TO BE SPENDING  
[01:08:48] \$293,000,000 IN THIS, BUT IT REPLACES  
[01:08:52] SIX INDIVIDUAL BAGGAGE SCREENING SYSTEMS  
[01:08:55] AND CENTRALIZE THE OPERATIONS FOR SO IT  
[01:08:58] MAKES VERY, QUITE A BIG PROJECT  
[01:09:01] COMPLICATED. SOME BULLET POINTS ON WHAT  
[01:09:05] IT'S GOING TO DO. IT WILL REPLACE THE  
[01:09:08] CONVEYOR SYSTEMS TO THE NORTH PORTION OF  
[01:09:10] BAG ROUTE. WELL, IT WILL MOVE SOME  
[01:09:14] CONCESSION STORAGE AND THE MAINTENANCE  
[01:09:16] SHOT TO CREATE MORE SPACE. IT WILL  
[01:09:19] IMPROVE THE BASICALLY THE STATION  
[01:09:22] SORTATION MATRIX IS MAKING IT MORE  
[01:09:24] EFFICIENT, AND TSA WILL GET SOME  
[01:09:27] ADDITIONAL EXPLOSIVE DETECTIVE SYSTEMS,  
[01:09:30] MACHINES, ADDITIONAL CAPACITY  
[01:09:33] OF ADDITIONAL MACHINES. AND TSA IS  
[01:09:36] FUNDING A BIG PART OF THIS AS WELL.  
[01:09:38] NEXT SLIDE, PLEASE. SO THE  
[01:09:47] ENGINEERS ESTIMATE WAS \$179,000,000. AND  
[01:09:49] OBVIOUSLY THE BIG THING THAT STANDS OUT  
[01:09:52] IN THIS ROOM IS IN THE SLIDE IS THAT  
[01:09:55] HENSEL PHELPS AS THE WINNING BID CAME IN  
[01:09:58] SIGNIFICANTLY ABOVE THAT.  
[01:09:59] 293,900,000.  
[01:10:03] SO BECAUSE OF THE BIDS COMING IN REALLY  
[01:10:06] HIGH, MOST OF THE COMMISSIONERS SHOULD  
[01:10:09] BE AWARE THAT ALASKA PROTESTED AND VOTED  
[01:10:13] AGAINST THIS AND MAJORITY FAIR  
[01:10:17] LINE PARTNERS VOTED A NEGATIVE VOTE  
[01:10:19] AGAINST PROCEEDING WITH THIS.  
[01:10:22] BUT THE PORT HAS THE RIGHT TO MAKE THE  
[01:10:24] FINAL DECISION AFTER 180 DAY COOLING OFF  
[01:10:27] PERIOD. SO WE WAITED FOR THE 180 DAYS

[01:10:30] AND WE DID FOLD WITH THE BID.  
[01:10:32] WE ALSO TALKED TO ALL OF THE AIRLINES  
[01:10:35] DURING THE COURSE OF THE AUDIT. SEVERAL  
[01:10:37] OF THE AIRLINES, I SHOULDN'T SAY SEVERAL  
[01:10:40] OF THEM, ESPECIALLY PRIMARILY ALASKA  
[01:10:42] DELTA SOUTHWEST. AND YOU KNOW,  
[01:10:47] THE COSTS, OBVIOUSLY DURING COVID ARE  
[01:10:51] SOMETHING THAT BOTHERS THEM ALL. THE  
[01:10:54] REASON SOME VOTED YES, I DELTA  
[01:10:57] SOUTHWEST. IT'S NOT THAT THEY THEY  
[01:11:02] LIKED THE \$293,000,000 BID. THEY JUST  
[01:11:05] SAID THEY'VE GOT OPERATIONS, THEY'VE GOT  
[01:11:07] BAGGAGE THAT THEY NEED TO GET DONE. AND  
[01:11:09] IF THIS PRIMARILY BENEFITS ALASKA AND  
[01:11:12] THIS DOESN'T GET DONE, THEIR STUFF CAN'T  
[01:11:14] GET DONE IN ORDER TO KEEP THEIR BUSINESS  
[01:11:16] MOVING. THEY GOT COMPELLED TO VOTE YES,  
[01:11:20] WE DID MAKE SOME CHANGES AND  
[01:11:25] PROVIDE MORE ROOM, WHICH I'LL TALK ABOUT  
[01:11:27] A LITTLE BIT AND MAKES SOMETHING  
[01:11:31] MORE EFFICIENT. AND THROUGH THE COURSE  
[01:11:33] OF THAT, WE RECEIVED A \$2.6 MILLION  
[01:11:37] DEDUCT CHANGE ORDER. YEAH, IT WAS A LUMP  
[01:11:40] SUM BIDS THAT WE SIGNED AND AGREED TO.  
[01:11:45] WE WANT FULL TITLE TO THIS,  
[01:11:49] BUT NONETHELESS,  
[01:11:52] WITH THE IMPROVEMENT OF SIX MONTHS,  
[01:11:55] GAINED A LITTLE BIT OF TIME AND WE GOT A  
[01:11:57] \$2.6 MILLION BACK, I DO. MY PERSONAL  
[01:12:01] BELIEF IS HENSEL PHELPS PROBABLY MAKE  
[01:12:04] SOME MONEY OF A DEFINITELY COME OUT  
[01:12:07] AHEAD. NEXT SLIDE, PLEASE.  
[01:12:13] YEAH. I ALSO WANT TO POINT OUT THAT WHEN  
[01:12:15] WE DID TALK TO SOUTHWEST, THEY NOTED  
[01:12:18] THAT THEY WERE A LITTLE DISAPPOINTED  
[01:12:20] THAT ALL WE GOT BACK WAS THE \$2.6  
[01:12:21] MILLION FOR THAT SIX MONTH IMPROVEMENT.  
[01:12:24] WE DID TALK TO THE ESTIMATOR OF BNP.  
[01:12:27] THIS IS BNP IS THE ESTIMATOR IS A FORM  
[01:12:31] THAT SPECIALIZES IN BAGGAGE SYSTEMS.  
[01:12:33] THEY'RE BASED OUT OF COLORADO AND THEY  
[01:12:35] GOT GLOBAL OFFICES ALL AROUND THE WORLD.  
[01:12:37] SEVERAL OF THEM THESE  
[01:12:42] ARE SOME OF THE HIGHLIGHTS THAT HE GAVE  
[01:12:43] US. THE INDIVIDUAL GAVE US ON WHY THE  
[01:12:47] BNP BELIEVED THE BIDS CAME  
[01:12:51] IN SO MUCH HIGHER THAN THE ESTIMATE.  
[01:12:53] AND I THINK THIS IS LIKE ONE OF THE  
[01:12:54] BIGGER, MORE IMPROVEMENT OPPORTUNITIES  
[01:12:58] FOR EVERYONE AND LESSONS LEARNED  
[01:13:01] BASICALLY FOR THE PORT. BUT YEAH,  
[01:13:06] HE SAID AFTER HE DID HIS ESTIMATE,  
[01:13:09] WE SIGNED A PROJECT LABOR AGREEMENT  
[01:13:12] WAS REQUIRED IN THE CONTRACTS, AND THAT  
[01:13:15] WAS PART OF A BIG PART OF INCREASED  
[01:13:19] LABOR RATE OF INCREASE IN COSTS. YEAH.  
[01:13:21] THE ESTIMATOR DID TALK ABOUT BOTH  
[01:13:23] BIDDERS REQUESTING A ONE YEAR EXTENSION  
[01:13:25] DURING THE BIDDING PROCESS. HE'S LIKE,  
[01:13:28] WHEN YOU HAVE A YEAR ADDED TO A  
[01:13:30] CONTRACT, THAT'S GOING TO ADD A LOT MORE  
[01:13:32] COSTS AS WELL. SO WE ADDED A YEAR AND  
[01:13:34] THAT'S ADDITIONAL OVERHEAD, ADDITIONAL

[01:13:36] TIME, ADDITIONAL COSTS. I BUDGETED THIS  
[01:13:40] FOR THREE YEARS, NOT THE FOUR YEARS,  
[01:13:42] AND I EXPECT THEM TO BE DONE THAT TIME  
[01:13:44] FRAME. YOU ADD AN ADDITIONAL YEAR,  
[01:13:47] THAT'S THE ADDITIONAL OVERHEAD COSTS.  
[01:13:50] THERE WERE SOME REQUIREMENTS FOR THE  
[01:13:52] PORT CONTRACTOR TO MOVE THEIR EQUIPMENT  
[01:13:54] IN AND OUT DAILY, SO THEY HAVE  
[01:13:56] UNPRODUCTIVE HOURS. AND THAT CAME ABOUT  
[01:13:59] A LATER DATE.  
[01:14:02] YOU KNOW, THE ESTIMATOR FELT THAT  
[01:14:06] THAT PLAYED AN IMPACT, THAT WAS A BIG  
[01:14:10] PART OF IT. AND THEN THE ELIGIBLE  
[01:14:13] CONTRACTORS. I DIDN'T SPEAK TO THE  
[01:14:15] ESTIMATOR TODAY, COMMISSIONER CALKINS,  
[01:14:17] AND HE SAID THE BIGGEST THING OVER HERE  
[01:14:19] AT PREQUALIFICATION STATEMENTS, HE SAID  
[01:14:21] THERE ARE MANY FIRMS OUT THERE. THEY'RE  
[01:14:23] SMALLER THAT CAN DO BAGGAGE. THE BIGGEST  
[01:14:25] THING IS THAT WE'RE SUCH A LARGE,  
[01:14:28] COMPLICATED ORGANIZATION THAT, YOU KNOW,  
[01:14:31] THERE'S FIVE OR SO MAJOR FORUMS OF  
[01:14:35] THE WORLD THAT CAN DO SOMETHING AS BIG  
[01:14:37] AS THIS. AND WE LIMITED IT TO SOMEBODY  
[01:14:40] WHO WE FELT CONFIDENT COULD COMPLETE THE  
[01:14:43] WORK WITH THE COMPLEXITIES THAT  
[01:14:47] WE HAVE IN THE PORT. SO THIS IS IN LINE  
[01:14:51] WITH THE PORT CONSTRUCTION MANAGEMENT  
[01:14:54] FOLKS SAID AS WELL THAT THERE'S ONLY  
[01:14:56] FIVE FORUMS OR SO THEY CAN DO THIS FOR  
[01:14:58] THE PORT. SO THE PRE QUALIFICATIONS, WE  
[01:15:00] JUST FROM THE ESTIMATORS PERSPECTIVE,  
[01:15:03] ELIMINATING SOME OF THE SMALLER FORUMS  
[01:15:04] THAT MIGHT HAVE BEEN AN ISSUE OF RISK. SO  
[01:15:08] THAT WAS HIS BIG TAKE. AND THE LAST  
[01:15:10] ITEM HE HIGHLIGHTED WAS COST OF STEAM  
[01:15:12] INCREASE. THAT BE PHASE ONE, PHASE TWO.  
[01:15:15] YEAH. I THINK WITH SOME CHANGES AND SOME  
[01:15:19] OTHER THINGS THAT WE'VE MADE HERE,  
[01:15:23] BOTH ALASKA AND YEAH,  
[01:15:26] ALASKA DID HIRE AN OUTSIDE CONSULTANT TO  
[01:15:28] LOOK AT THIS AT ALASKA. AND MAYBE  
[01:15:33] THE ESTIMATORS LOST, TO SOME EXTENT SAID  
[01:15:35] WITH ALL THE CHANGES, IT HAVE BEEN MADE  
[01:15:38] A DIFFERENT MODEL OTHER THAN A DESIGN  
[01:15:40] BID BUILD MIGHT HAVE BEEN MORE  
[01:15:42] ADVANTAGEOUS. THE TRADE OFF IS  
[01:15:46] THAT SINCE WE GOT TSA FUNDING, WE HAD TO  
[01:15:50] GET DESIGN BEFORE WE COULD GET THAT TSA  
[01:15:53] FUNDING. AND BECAUSE WE GOT THAT DESIGN,  
[01:15:57] THEN WE USE THAT TO DO THE DESIGN. IT  
[01:16:00] BUILD RATHER THAN A GC/CM WHERE YOU'RE  
[01:16:03] DESIGNING OPTIONS AS YOU GO. SO WE  
[01:16:07] MORE CONSTRAINED THERE. AND I BELIEVE ON  
[01:16:10] PHASE THREE, YOU ALTERNATIVE METHOD WILL  
[01:16:14] BE LOOKED AT. BUT ALL OF THESE EFFECTS  
[01:16:17] AND CHANGES REALLY HELP GROW UP THE  
[01:16:20] COST OF THE ESTIMATE. IT'S HUGE,  
[01:16:24] BUT A NUTSHELL NET FIT. NEXT SLIDE,  
[01:16:27] PLEASE. WE DO  
[01:16:31] LOOK AT CHANGE ORDERS. AND AS I NOTED  
[01:16:34] EARLIER, WE HAVE WE'VE BEEN SEEING A LOT  
[01:16:38] OF DISCREPANCIES IN THESE COVID CHANGE

[01:16:40] ORDERS. IN ALL THE AUDITS WOULD LOOK  
[01:16:43] AT. I'M GOING TO ASK SPENCER BRIGHT OR  
[01:16:46] CAPITAL AUDIT MANAGER TO UNMUTE  
[01:16:48] YOURSELF. SPENCER, IF YOU'RE ON AND TALK  
[01:16:51] A LITTLE BIT ABOUT THIS ISSUE, PROVIDE A  
[01:16:54] LITTLE MORE DETAILS TO WHAT YOU FOUND.  
[01:16:57] ALL RIGHT. THANK YOU, GLENN. AND GOOD  
[01:17:01] AFTERNOON, COMMISSIONERS AND MISS GEHRKE.  
[01:17:04] AS GLENN MENTIONED, WE DID ISSUE. OH,  
[01:17:07] SORRY. I'M SPENCER BRIGHT CAPITAL  
[01:17:09] PROJECTS AUDIT MANAGER. AS GLENN  
[01:17:13] MENTIONED, WE DID ISSUE ONE FINDING  
[01:17:15] RELATED TO A LUMP SUM CHANGE  
[01:17:19] ORDER BETWEEN THE PORT AND HENSEL  
[01:17:24] PHELPS. THE CHANGE ORDER WAS  
[01:17:27] APPROXIMATELY \$246,000 TO  
[01:17:31] HELP COVER ADDITIONAL EXPENSES THAT  
[01:17:35] THE CONTRACTOR INCURRED BECAUSE OF  
[01:17:38] COVID-19. DURING OUR  
[01:17:42] WORK, WE WE IDENTIFIED A  
[01:17:45] \$29,000 DISCREPANCY BETWEEN  
[01:17:49] ONE OF THE SUBCONTRACTORS COST PROPOSALS  
[01:17:54] THAT WAS SUBMITTED TO THE PORT AND THE  
[01:17:58] ACTUAL CHANGE ORDER AMOUNT BETWEEN  
[01:18:00] HENSEL AND THE SUBCONTRACTOR.  
[01:18:04] AND WHAT THAT MEANS IS.  
[01:18:06] SO HENSEL WENT  
[01:18:10] OUT TO ALL OF THEIR SUBCONTRACTORS AND  
[01:18:13] REQUESTED PROPOSALS OF HOW MUCH THE  
[01:18:16] SUB WOULD INCUR, AND THEN THE SUBS ALL  
[01:18:21] SUBMITTED THEIR PROPOSALS TO HENSEL,  
[01:18:23] WHO COMBINED THEM ALL AND THEN SUBMITTED  
[01:18:26] ONE OVERALL PROPOSAL TO THE PORT.  
[01:18:29] THE PORT REVIEWED REASONABLENESS AND  
[01:18:33] THEN APPROVED THE  
[01:18:37] CHANGE ORDER AS A LUMP SUM FOR  
[01:18:41] ONE OF OUR TESTS. WHEN WE WERE REVIEWING  
[01:18:45] THE SUBCONTRACTOR COST PROPOSALS, WE  
[01:18:48] COMPARED THE PROPOSAL AMOUNTS TO  
[01:18:52] CANCEL SUBCONTRACTOR DETAIL LEDGER  
[01:18:56] REPORT, AND WE NOTICED THAT ALL  
[01:19:01] OF THE SUBCONTRACTORS CHANGE ORDERS WITH  
[01:19:04] HENSEL WITH THE SAME AMOUNT OF THE  
[01:19:06] PROPOSAL EXCEPT FOR ONE. AND THAT WAS  
[01:19:10] \$29,000 DIFFERENCE.  
[01:19:13] AND SO PART OF TESTING, WE REQUESTED  
[01:19:18] DOCUMENTATION FROM FROM HENSEL JUST  
[01:19:23] TO SHOW WHY THERE  
[01:19:26] WAS A DIFFERENCE BETWEEN THE COST  
[01:19:29] PROPOSAL THAT WE SAW COMPARED TO WHAT  
[01:19:32] THEY AGREE TO CANCEL AND THE  
[01:19:34] SUBCONTRACTOR. THE INITIAL RESPONSE THAT  
[01:19:38] WE RECEIVED WHETHER IT WAS HENSEL'S  
[01:19:41] INTENTION TO HAVE TWO DIFFERENT CHANGE  
[01:19:44] ORDERS WITH THE SUBCONTRACTOR.  
[01:19:47] THIS PARTICULAR CHANGE ORDER WAS FOR A  
[01:19:50] FULL YEAR.  
[01:19:53] HOWEVER, HENSEL DID NOT  
[01:19:57] MAINTAIN DOCUMENTATION IS WHAT WE WERE  
[01:20:00] TOLD TO SUPPORT, THAT THERE WAS GOING TO  
[01:20:03] BE TWO SEPARATE CHANGE ORDERS.  
[01:20:06] AND WE'RE ALSO TOLD THAT THE PEOPLE THAT  
[01:20:09] WERE INVOLVED WITH THAT NEGOTIATION

[01:20:12] ORIGINALLY WERE NO LONGER WITH THE  
[01:20:13] COMPANY, SO THEY COULDN'T BE ASKED.  
[01:20:17] ABOUT TWO WEEKS AFTER OUR INITIAL  
[01:20:21] REQUEST, HENSEL DID PROVIDE US  
[01:20:24] WITH A NEW CHANGE ORDER THAT WAS  
[01:20:28] SIGNED. THIS WAS IN JULY, AND OUR  
[01:20:30] INITIAL REQUEST WENT OUT IN JUNE. A NEW  
[01:20:34] CHANGE ORDER WITH THAT PARTICULAR  
[01:20:37] SUBCONTRACTOR THAT WAS IN THE AMOUNT  
[01:20:40] OF THE DISCREPANCY AND  
[01:20:45] THEN SO NEXT SLIDE, PLEASE, MICHELLE.  
[01:20:49] AND BECAUSE OF THAT NEW CHANGE ORDER,  
[01:20:53] WE DETERMINED THAT A LOW RATING WAS  
[01:20:56] REASONABLE FOR THIS ISSUE AND NO ACTION  
[01:20:59] PLAN WAS NECESSARY FROM MANAGEMENT  
[01:21:02] BECAUSE OF THE DISCREPANCY WAS CORRECTED.  
[01:21:07] WE DID REITERATE COMMISSIONERS TO HENSEL  
[01:21:11] THAT FOR THE CONTRACT FOR GENERAL  
[01:21:13] CONDITIONS. THEY'RE SUPPOSED TO MAINTAIN  
[01:21:14] DOCUMENTATION FOR ALL THIS STUFF IN THIS  
[01:21:18] CASE BECAUSE IT COULD GO EITHER WAY.  
[01:21:20] AND I UNDERSTAND THERE'S A LUMP SUM  
[01:21:23] CHANGE ORDER, BUT THEY SUBMITTED THAT OR  
[01:21:27] THE WRONG NUMBER TO THE PORT, WHICH WE  
[01:21:29] USED AS A BASIS TO MAKE THAT LUMP SUM  
[01:21:32] CHANGE ORDER WITH THEM. SO WE DID  
[01:21:36] REITERATE THEY'RE SUPPOSED TO MAINTAIN  
[01:21:38] DOCUMENTATION. AND IT'S IMPORTANT FOR  
[01:21:40] THESE REASONS FROM THEIR DISCREPANCIES,  
[01:21:42] WE'D LIKE A TRAIL TO SEE WHAT THE  
[01:21:44] INTENT. DID YOU REALLY INTEND TO SIGN A  
[01:21:48] DEAL WITH THEM FOR 20 SOMETHING THOUSAND  
[01:21:50] DOLLARS? OR DID  
[01:21:55] YOU JUST SUBMIT THE WRONG NUMBER TO THE  
[01:21:56] PORT? WE WANT TO BE ABLE TO UNDERSTAND  
[01:21:58] THAT TRAIL. BUT SINCE THERE WAS NOTHING  
[01:22:00] THERE AND THEY DID END  
[01:22:04] UP PAYING THE SUBCONTRACTOR AND SAYING  
[01:22:06] WITH A SUBCONTRACTOR, WE JUST ACCEPTED  
[01:22:08] THAT CIRCLE FROM HIM, BUT THAT'S THE  
[01:22:11] BEST WE COULD DO QUESTIONS.  
[01:22:15] OR WE ALSO HAVE A CONSTRUCTION  
[01:22:19] MANAGEMENT ON THE PHONE ON THE TEAM CALL  
[01:22:22] IN CASE ANYBODY HAS ANY QUESTIONS.  
[01:22:25] COMMISSIONER CALKINS. SHOULD I RUN THROUGH THE ROLE.  
[01:22:29] YES, PLEASE. THANK YOU. BE GETTING WITH  
[01:22:32] COMMISSIONER CHO. YEAH. THANK YOU SO MUCH  
[01:22:35] FOR THIS PRESENTATION. I THINK THIS IS A  
[01:22:37] REALLY HEALTHY EXERCISE IN UNDERSTANDING  
[01:22:40] EXACTLY WHAT TYPES OF CHANGE ORDERS WE  
[01:22:41] ARE RECEIVING AS A RESULT OF COVID.  
[01:22:44] WE'VE HEARD THIS, I MEAN, OBVIOUSLY RUN  
[01:22:47] INTO THE COVID ISSUE ON JUST ABOUT ANY  
[01:22:50] AND ALL PROJECTS, BUT I THINK IT WOULD  
[01:22:53] HELP FOR US TO UNDERSTAND WHAT THEMES  
[01:22:54] THERE ARE IN TERMS OF CHANGE ORDERS AND  
[01:22:59] COST INCREASES ASSOCIATED COVID. AS YOU  
[01:23:02] ALL KNOW, WE ARE GOING THROUGH KIND OF A  
[01:23:05] BACK AND FORTH ON ANOTHER PROJECT, THE  
[01:23:07] INTERNATIONAL ARRIVALS FACILITY, IN TERMS  
[01:23:09] OF WHAT IS AND WHAT  
[01:23:12] IS NOT COVID RELATED COST EXPENSES.  
[01:23:15] AND I THINK IT WOULD BE HELPFUL FOR US

[01:23:19] TO COMPARE WITH OTHER PROJECTS THAT WE  
[01:23:21] HAVE. I KNOW NORTH SATELLITE WAS ONE  
[01:23:23] THAT WAS BROUGHT UP AS SOMETHING THAT  
[01:23:26] COULD BE COMPARED TO IF AND WHAT WAS  
[01:23:29] HAPPENING AT THE SAME TIMELINE. THIS  
[01:23:31] SEEMS LIKE ANOTHER PROJECT THAT WAS,  
[01:23:34] YOU KNOW, THAT COULD POTENTIALLY ALSO BE  
[01:23:38] ONE TO COMPARE TO. BUT I THINK TO RYAN'S  
[01:23:41] EARLIER POINT ABOUT US LEARNING LESSONS  
[01:23:44] ABOUT COVID. THIS IS ANOTHER AREA  
[01:23:48] WHERE WE CAN REFLECT ON WHAT AREAS OF  
[01:23:51] THE CAPITAL PROJECTS WERE AFFECTED THE  
[01:23:55] MOST. AND THEN SECONDLY, I GUESS  
[01:23:58] THIS IS A QUESTION WITH REGARDS TO THE  
[01:24:02] [inaudible 01:24:06] AND THE DELAY ON THE PHASE  
[01:24:06] TWO OF BAGGAGE HANDLING.  
[01:24:09] DID WE EVER RUN NUMBERS ON HOW MUCH MORE  
[01:24:13] EXPENSIVE THAT PROJECT HAS BECOME AS A  
[01:24:14] RESULT OF THAT 180 DAY DELAY? AND CAN WE  
[01:24:17] QUANTIFY THAT TO FOR THE FUTURE TO SHOW  
[01:24:22] THAT LOOK, 108 DAYS IS ONLY GOING TO  
[01:24:24] COST YOU MORE MONEY TO STOP MESSING  
[01:24:27] AROUND, STOP DOING THESE VOTES.  
[01:24:30] THAT ALL DOES ESCAPE THE CAN ON THE OWN  
[01:24:32] AND MAKE THE PROJECT EVEN MORE  
[01:24:34] EXPENSIVE, WHICH IS EXACTLY WHAT YOU  
[01:24:36] DON'T WANT, RIGHT? AND SO I WONDER IF WE  
[01:24:39] COULD DO A COMPARISON OF PRE-MNI  
[01:24:43] VOTE PROJECTIONS VERSUS POST. I VOTE  
[01:24:45] DELAYS AND WHETHER OR NOT THERE'S A HUGE  
[01:24:49] DISCREPANCY COST. I IMAGINE WITH KICKING  
[01:24:52] THE CAN KICKING THE CAN DOWN  
[01:24:54] FURTHER DURING COVID, THE THINGS COULD  
[01:24:57] HAVE BEEN CHEAPER, BUT THAT'S JUST A  
[01:25:00] GUESS ON MY PART. I SEE  
[01:25:04] WENDY RIDER ON THE PHONE AND  
[01:25:06] COMMISSIONER CHO. SURE SHE CAN ANSWER  
[01:25:08] YOUR QUESTION. SO MAYBE,  
[01:25:11] GLENN, I COULD ANSWER THE FIRST ONE AND  
[01:25:14] WE CAN RESPOND TO THE SECOND. SO I'M  
[01:25:17] JANICE ON, AND WE'LL SEE THE  
[01:25:18] CONSTRUCTION MANAGEMENT FUNCTIONS. SO  
[01:25:21] RELATED TO COVID, WE DO COLLECT ALL OF  
[01:25:23] THE INFORMATION WITH ALL OF THE PROJECTS  
[01:25:26] AND REPORT GENERATIVE REPORT ON A  
[01:25:29] MONTHLY BASIS. MOST OF OUR COVID COSTS  
[01:25:32] WE PAY ON A REIMBURSABLE TIME AND  
[01:25:35] MATERIALS WHERE THEY TURN IN PAPERWORK  
[01:25:39] AND ACTUAL INVOICES THAT WE PAY. AND WE  
[01:25:42] DID HAVE TWO AUDIT ON OTHER PROJECTS  
[01:25:46] WHERE WE IDENTIFIED SOME DISCREPANCIES  
[01:25:49] IN THE ACTUAL BILLING RATE OF THE PERSON  
[01:25:53] THAT THEY HAD SUBMITTED DIFFERENT THAN  
[01:25:55] THE NEGOTIATED RATE THAT WE HAD OR THE  
[01:25:58] RATE THEY GAVE US FROM THE BEGINNING OF  
[01:26:00] SWITCHING FROM ONE PERSON TO ANOTHER.  
[01:26:02] THIS PROJECT, WE NEGOTIATED A LUMP  
[01:26:06] SUM BECAUSE THE PROJECT WAS ACTUALLY BID  
[01:26:09] BEFORE COVID, BUT WE DIDN'T EXECUTE THE  
[01:26:12] CONTRACT UNTIL AFTER COVID WAS ALREADY  
[01:26:14] WELL UNDER WAY. SO THE PROJECT TEAM FELT  
[01:26:18] THAT THERE WAS ENOUGH KNOWN ABOUT COVID  
[01:26:21] THAT WE COULD SIT DOWN AND NEGOTIATE IN

[01:26:23] GOOD FAITH WITH HENSEL PHELPS ON WHAT A  
[01:26:26] REASONABLE RATE WOULD BE TO ADDRESS  
[01:26:30] COVID IF THERE WERE EXPOSURES, THE  
[01:26:32] CLEANING THAT WOULD BE NEEDED. AND SO  
[01:26:35] THEY ARE BOTH RELATED TO COVID,  
[01:26:39] BUT SLIGHTLY DIFFERENT IN TERMS OF WHAT  
[01:26:41] WE NOTICED AS PART OF THAT.  
[01:26:45] BUT TO YOUR POINT, YES, WE WILL.  
[01:26:49] AS WE COLLECT AND REPORT ON COVID,  
[01:26:52] ALSO PROVIDE SOME ADDITIONAL INFORMATION  
[01:26:55] ABOUT WHAT OUR LESSONS LEARNED HAS BEEN  
[01:26:57] WAS AMONGST ALL OF OUR PROJECTS FOR  
[01:27:00] COVID. SO THAT'S THE FIRST QUESTION YOU  
[01:27:03] ASKED AND THEN BELIEVE WENDY COULD TALK  
[01:27:05] ABOUT THE SECOND QUESTION. THANK YOU,  
[01:27:08] COMMISSIONER. WENDY RIDER, DIRECTOR,  
[01:27:10] SECURITY AND EMERGENCY PREPAREDNESS.  
[01:27:12] GOOD TO SEE YOU. I DON'T HAVE THE  
[01:27:14] ANSWER. WHAT THE COST DIFFERENCE WOULD  
[01:27:16] BE FOR WAITING ON AN NMI THAT DOESN'T  
[01:27:19] GET APPROVED. HOWEVER, I WILL GO BACK TO  
[01:27:21] THE TEAM AND SEE IF WE CAN COLLECT THAT  
[01:27:24] DATA. IT ISN'T OFTEN THAT WE GET THAT  
[01:27:28] NEGATIVE PARTICULAR ON A BAGGAGE SYSTEM,  
[01:27:30] BUT I'LL GO BACK AND SEE IF WE CAN  
[01:27:32] PROVIDE THAT NUMBER FOR YOU. THANKS.  
[01:27:34] YEAH. THANK YOU. I THINK THAT WOULD BE  
[01:27:36] VERY HELPFUL FOR MY COLLEAGUES AS WELL.  
[01:27:38] JEFFREY, JOHN. SO JEFFREY MAY HAVE THAT.  
[01:27:41] THANKS, JEFF. THANKS SO MUCH, JEFF.  
[01:27:43] I'LL ANSWER. BUT I THINK THAT'S THE  
[01:27:45] ESTIMATE THAT THE COST WOULD BE OUR  
[01:27:47] COSTS FROM OUR STAFF. IDLING, WAITING FOR  
[01:27:49] THOSE SIX MONTHS WHERE THE SOFT COSTS  
[01:27:51] FOR OUR CONSULTANTS. SOFT COSTS FOR OUR  
[01:27:54] PROJECT MANAGEMENT TEAM WAITING  
[01:27:55] CONSTRUCTION MAN WAITING FOR THE  
[01:27:57] CONTRACT TO START. SO I THINK AT THE  
[01:27:59] MINIMUM, WE INCUR THOSE ITEM COSTS ON  
[01:28:02] OUR SIDE. IN THIS CASE, I DON'T THINK  
[01:28:04] THERE'S ANY COST FROM THE CONTRACTOR FOR  
[01:28:07] THE SIX ONE BECAUSE IT WAS A HARD BID.  
[01:28:09] WE HAD A BID IN HAND AND THAT BID WAS  
[01:28:11] NOT ESCALATED. JANICE, THE BID WAS NOT  
[01:28:13] ESCALATED, RIGHT.  
[01:28:15] THAT'S CORRECT. YEAH. SO IN  
[01:28:19] THIS CASE, BUT IT WAS A GC/CM OR DESIGN  
[01:28:21] BILL. THERE WOULD HAVE BEEN SOME  
[01:28:23] INCURRED COST BECAUSE OF THE IDLE TIME.  
[01:28:27] I LIKE THAT. ED WHITE  
[01:28:30] PROJECT PROGRAM LEADER AND ALSO LIKE TO  
[01:28:32] ADD THAT SIX MONTH DELAY. I THINK IF YOU  
[01:28:34] LOOK AT IT FROM ANOTHER PERSPECTIVE DUE  
[01:28:36] TO COVID, IF WE ACTUALLY STARTED THIS  
[01:28:38] SIX MONTHS EARLIER, WE PROBABLY COULD  
[01:28:40] HAVE TAKEN A YEAR OUT OF THE SCHEDULE  
[01:28:42] INSTEAD OF THE SIX MONTH BECAUSE OF THE  
[01:28:46] LOWER OPERATIONS. WE'LL HAVE  
[01:28:50] TO GO BACK AND RUN THE NUMBERS AND  
[01:28:51] FIGURE OUT WHAT THAT SIX MONTH IS. BUT  
[01:28:53] IF WE JUST STARTED SIX MONTHS EARLIER,  
[01:28:55] WE JUST FINISHED THIS WEEK STEP 14 OUT  
[01:28:58] OF 64. WE PROBABLY COULD HAVE BEEN INTO

[01:29:00] THE STEP 30 AND HAD LESS IMPACT TO THE  
[01:29:03] AIRLINES THAT WE KIND OF GRIND THROUGH.  
[01:29:05] SO THERE IS AN IMPACT. IT'S IT'LL BE  
[01:29:08] HARD TO CALCULATE WHAT THAT NUMBER IS,  
[01:29:10] BUT WE'LL COME UP WITH A NUMBER AND GET  
[01:29:11] IT TO YOU GUYS. THAT'S AN EXCELLENT  
[01:29:14] POINT, BECAUSE I GO OUT AND TALK TO  
[01:29:16] PEOPLE ABOUT HOW THE SLOW DOWN AT THE  
[01:29:18] AIRPORT ACTUALLY GAVE US A UNIQUE  
[01:29:19] OPPORTUNITY TO ACCELERATE THINGS. AND  
[01:29:21] THIS SOUNDS LIKE A MISSED OPPORTUNITY.  
[01:29:24] YEAH. WE'VE CAPITALIZED ON ACCELERATING.  
[01:29:28] WE PUT A TEAM TOGETHER WHEN WE STARTED  
[01:29:30] THE CONTRACT AND CAME UP WITH 25 IDEAS  
[01:29:33] ON HOW CAN WE UTILIZE THIS TIME SO THAT  
[01:29:36] WE CAN SPEED THINGS UP, GET IT DONE  
[01:29:39] QUICKER, AND TRY TO MINIMIZE THE  
[01:29:40] OPERATIONAL IMPACT. SO OUT OF THOSE, WE  
[01:29:42] CAME UP WITH THE ONE THAT WE GOT THE BIG  
[01:29:45] CHANGE ORDER ON, AND WE CONTINUE TO LOOK  
[01:29:47] AT THOSE AS WE MOVE THROUGH THE  
[01:29:50] DIFFERENT SEQUENCE OF ITEMS THAT WE DO.  
[01:29:52] I APPRECIATE THAT, IN FACT, NOT JUST THE  
[01:29:54] COST DIFFERENCE, BUT ALSO THE DIFFERENCE  
[01:29:56] IN TIMELINE WOULD BE HELPFUL FOR US TO  
[01:29:57] KNOW AS WELL. TO YOUR POINT, HOW MUCH  
[01:29:59] QUICKER WOULD THIS HAVE BEEN FINISHED  
[01:30:01] HAD WE DONE THIS DURING THE HEIGHT OF COVID  
[01:30:03] ALRIGHT. OKAY. THANK YOU,  
[01:30:07] COMMISSIONER CHO. MOVING TO MEMBER  
[01:30:08] GEHRKE FOR QUESTIONS.  
[01:30:13] NO QUESTIONS FOR ME. THANK YOU,  
[01:30:16] COMMISSIONER CALKINS. YEAH.  
[01:30:19] GREAT QUESTION, SAM, ABOUT TIMELINE AND  
[01:30:22] COSTS ASSOCIATED WITH THAT SIX MONTH  
[01:30:24] DELAY. I THINK THAT IS IMPORTANT. AND IF  
[01:30:26] FOR NO OTHER REASON THAN WE ARE IN  
[01:30:27] CONSTANT WELL AND SAY, WE LANCE  
[01:30:31] AND JEFFREY AND EVERYONE ON THE AIRPORT  
[01:30:34] SIDE IS IN CONSTANT NEGOTIATIONS WITH  
[01:30:36] THE AIRLINES ABOUT EVERYTHING, AND THEY  
[01:30:39] SPEAK AND WITH SUCH CONFIDENCE THAT IT  
[01:30:41] MIGHT NOT HURT TO REMIND THEM THAT,  
[01:30:42] HEY, SOMETIMES MAYBE  
[01:30:47] THE PORT HAS SOME VALIDITY OR  
[01:30:49] CREDIBILITY TO WHAT WE'RE SAYING. SO I  
[01:30:51] WOULD APPRECIATE THAT ANALYSIS AND  
[01:30:54] MAKING SURE THAT OUR AIRLINE PARTNERS  
[01:30:55] ARE AWARE OF IT, TOO. NO FURTHER  
[01:30:58] QUESTIONS FOR ME ON THIS TOPIC. I OKAY.  
[01:31:03] AND WITH THAT, I THINK WE ARE GOING TO  
[01:31:05] MOVE ON TO OUR FINAL, OUR LIMITED  
[01:31:08] CONTRACT COMPLIANCE AUDITS. GLENN, YOU  
[01:31:10] WANT TO TAKE OVER? YEP. IT'S SLIDE  
[01:31:14] 25, AND I JUST WANT TO SAY THANKS TO  
[01:31:16] MICHELLE. JEFFREY ED. I KNOW I SAW  
[01:31:19] WAYNE'S HAND UP THERE, BUT, WAYNE, YOU  
[01:31:21] NEVER GOT YOUR CHANCE.  
[01:31:24] BUT MAYBE WE CAN  
[01:31:28] CERTAINLY GO BACK. WAYNE, IF YOU'VE GOT  
[01:31:29] SOMETHING BURNING, WE'D LOVE TO HEAR IT.  
[01:31:31] HE PULLED HIS HAND DOWN SO WE'LL  
[01:31:38] GATHER THE COMMISSION. WE WILL GATHER



[01:31:40] THAT ANALYSIS AND ADD IT TO THE RECORD.  
[01:31:44] ALSO FOR THIS COMMISSION MEETING, FOR  
[01:31:45] THE SITE COMMITTING MEETING FOR THE  
[01:31:47] PUBLIC AND FOR TRANSPARENCY  
[01:31:49] COMMISSIONERS. THIS WAS A CLEAN AUDIT  
[01:31:52] WITH FRUIT AND FLOUR FLORET. WE DO THIS.  
[01:31:55] WE CYCLE THROUGH RANDOM THE  
[01:32:00] PROCESS CONCESSIONARIES AT THE AIRPORT  
[01:32:03] BECAUSE IT IS A SELF REPORTING SYSTEM TO  
[01:32:05] MAKE SURE THAT THEY ARE PAYING US WHAT  
[01:32:07] THEY CONTRACTUALLY OBLIGATED TO DO. SO  
[01:32:10] IT'S KEEPING THEM ON THEIR TOES. WE  
[01:32:12] DON'T EXPECT TO FINDINGS WITH EVERY  
[01:32:17] SINGLE ONE OF THEM. WE DO TRY TO HAVE A  
[01:32:20] RISK BASED APPROACH FROM TIME TO TIME.  
[01:32:23] WE CAN LOOK AT THE HIGHER RISK ONCE AND  
[01:32:25] MORE COMPLICATED ONCE. THIS WAS PRETTY  
[01:32:28] STRAIGHTFORWARD ONE AND THEY ARE PAYING  
[01:32:30] US ACCURATELY. ACTUALLY, WE FOUND A FEW  
[01:32:33] THOUSAND DOLLARS THAT THEY COULD BENEFIT  
[01:32:36] FROM, YOU KNOW, ADD TO THEIR BOTTOM  
[01:32:40] LINE SO IT WOULD BENEFIT THEM OUT. SO  
[01:32:43] THE AUDITS ARE BENEFICIAL TO BOTH OF US.  
[01:32:45] IN THIS CASE, IT WAS BENEFICIAL TO  
[01:32:46] FLORES F. WE HAVE NO ISSUES IN THIS.  
[01:32:50] THAT WAS CLEAN AUDIT. NEXT SLIDE,  
[01:32:52] PLEASE, MICHELLE. SO WITH THAT, CLOSE IT  
[01:32:56] OUT AND HAND IT BACK TO YOU,  
[01:32:57] COMMISSIONER CALKINS, TO CLOSE OUT THE  
[01:33:00] MEETING. AND CAN YOU SEE?  
[01:33:04] GREAT. WELL, IT'S BEEN FUN FOR ME  
[01:33:07] TO GET BACK INTO THE AUDIT COMMITTEE FOR  
[01:33:10] A MEETING. YOU GUYS ARE ALWAYS  
[01:33:14] SO PROFESSIONAL AND YOU LEARNED SO MUCH  
[01:33:16] ABOUT THE INNER WORKINGS OF THE PORT  
[01:33:18] ATTENDING AND GETTING TO PARTICIPATE IN  
[01:33:20] THEM. SO I'M GOING TO GIVE ONE LAST  
[01:33:24] OPPORTUNITY FOR MEMBER GEHRKE  
[01:33:27] TO SHARE ANY FINAL COMMENTS ON THE  
[01:33:29] MEETING. I THINK IT WAS A REALLY GOOD  
[01:33:32] MEETING. I REALLY LIKE THE DISCUSSION  
[01:33:37] OF THE FINDINGS AND THE WAY WE TALKED  
[01:33:39] ABOUT HIM. I THOUGHT IT WAS FOR REALLY  
[01:33:41] VALUE ADD IN THAT I APPRECIATE GLENN AND  
[01:33:44] HIS TEAM AND ALL THE WORK THEY'VE BEEN  
[01:33:46] DOING, ESPECIALLY DURING THESE TIMES.  
[01:33:48] AND I KNOW WORKING ON THESE CONSTRUCTION  
[01:33:51] PROJECTS IS NOT THE FUNNEST TIME AND I  
[01:33:54] THINK THEY'RE DOING GREAT.  
[01:33:57] RIGHT. AND COMMISSIONER CHO, DO YOU HAVE  
[01:33:59] ANY FINAL COMMENTS? JUST THAT I WANT TO  
[01:34:02] ECHO THE SENTIMENTS OF MY COLLEAGUES  
[01:34:04] THAT THIS WAS A PERFECT MEETING. THANK  
[01:34:06] YOU FOR ACCOMMODATING MY ECONOMY.  
[01:34:10] ACCOMMODATING ME. RYAN, THANK YOU FOR  
[01:34:13] STEPPING IN. I HOPE TO CONVINCING YOU  
[01:34:17] TO REJOIN THE COMMITTEE FOR NEXT YEAR,  
[01:34:19] PERHAPS, BUT WE HAVE THAT CONVERSATION  
[01:34:21] LEADER AND THANK YOU TO ALL THE STAFF  
[01:34:24] WHO PUT IT TOGETHER, ALL THESE  
[01:34:25] PRESENTATIONS. IT'S RYAN'S RIGHT. THIS  
[01:34:27] IS IF YOU REALLY WANT TO LEARN THE INS  
[01:34:29] AND OUT OF THE PORT, THIS IS THE RIGHT

[01:34:31] COMMITTEE TO BE ON. AND I REMEMBER RYAN  
[01:34:32] TELLING ME THAT WHEN I WAS THINKING  
[01:34:34] ABOUT JOINING COMMITTEE, SO I'M REALLY  
[01:34:36] GLAD I DID SO THANK YOU ALL ALWAYS  
[01:34:40] ALRIGHT AND WITH THAT, I'M BORROWING  
[01:34:45] ANY OBJECTIONS, I'M GOING TO ADJOURN THE  
[01:34:47] MEETING AT 4:04 P.M.. THANK YOU ALL SO  
[01:34:51] MUCH FOR ATTENDING. THANKS, CHRISTINA.  
[01:34:54] HAVE A GREAT AFTERNOON. HI, EVERYBODY.  
[01:34:58] THANK YOU,

END OF TRANSCRIPT