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COMMISSION

AGENDA MEMORANDUM Item No. 8n

ACTION ITEM Date of Meeting November 8, 2022

DATE: October 21, 2022

TO: Stephen P. Metruck, Executive Director

FROM: Dan Thomas, Chief Financial Officer

Michael Tong, Director, Corporate Budget

SUBJECT: 2023 Service Agreements for Port of Seattle Staff to Provide Services to the Northwest Seaport Alliance

Amount of this request: \$0

Total estimated project cost: \$0

ACTION REQUESTED

Request Commission authorization for the Executive Director to execute an interlocal agreement (ILA) with the Northwest Seaport Alliance (NWSA) to implement a series of support service agreements to allow Port staff to provide services to the NWSA for 2023.

EXECUTIVE SUMMARY

The NWSA will require service support from different departments at the Ports of Seattle and Tacoma. The means to provide these support services is through an ILA between the NWSA and the homeports as a part of the annual budget process. The costs for these support service agreements are included in both the Port's and NWSA's 2023 budgets.

JUSTIFICATION

The NWSA will require support services from both the Ports of Seattle and Tacoma in order to carry out its functions. Each port will provide these support functions through an ILA that describes the services to be provided.

DETAILS

The NWSA needs support and services from both ports in order to carry out its various administrative functions and operations. Each port intends to execute an ILA with NWSA to allow the ports to provide those services for 2023. The Port of Seattle budget included the budgeted amounts for the proposed ILA service agreements with the NWSA.

Below is a summary of the major cost allocation changes to the NWSA from the 2022 budget to the 2023 budget.

Template revised April 12, 2018.

COMMISSION AGENDA – Action Item No. 8n Page 2 of 3

Meeting Date: November 8, 2022

2022 2023 '23 vs '22

Department Budget Budget Change Explanations

Mainly due to \$102K direct charges of outside

Attorney Services 85,720 197,767 112,047 legal services for Permits & Compliances.

Mainly due to \$215K increase of NWSA

Reimbursable Insurance Expense change to the

Insurance 591,680 809,860 218,180 NWSA.

New ILA to support the development of the longterm

strategy for transitioning to zero-emission

drayage trucking and the truck parking

Equity, Diversity and Inclusion 0 50,000 50,000 engagement efforts.

Due to higher payroll cost and 1% increase in

Port Construction Services 37,705 105,883 68,178 allocation rate to the NWSA.

Mainly due to change of allocation methodology

for AFR General Accounting from Standard to

Accounting 112,252 283,123 170,871 Variable and higher payroll cost.

Police 915,639 852,806 (62,832) Due to lower allocation rate to the NWSA.

Due to higher payroll cost because of COLA and

CPO 139,406 199,551 60,144 new FTEs.

Mainly due to a 5.8% increase in allocation rate to

Seaport Finance 91,186 184,078 92,892 the NWSA.

Due to a \$205K increase in direct charge and a

Waterfront Project Management 826,306 1,356,598 530,292 8.5% increase in allocation rate to the NWSA.

Due to a \$684K increase in direct charge and a
Marine Maintenance 3,716,459 4,540,907 824,447 1.5% increase in allocation rate to the NWSA.
Due to a \$39K increase in direct charge and a 4%
Maritime Security 473,131 547,058 73,927 increase in allocation rate to the NWSA.
Change allocation methodology from special
allocation to direct charge for 3 employees who
Portfolio Management 115,706 72,587 (43,119) provide support to the NWSA.
All Other 2,651,246 2,801,267 150,021
Total 9,756,438 12,001,484 2,245,046

There are 17 support service agreements that will be implemented as part of this agreement for 2023 and are attached as exhibits to the ILA.

Scope of Work

The proposed ILA is included as Attachment A. There are 16 service directives that are attached as exhibits to the ILA. The list of those exhibits is as follows:

Exhibit 1: Accounting, Finance, Treasury and Risk Management

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COMMISSION AGENDA – Action Item No. 8n Page 3 of 3

Meeting Date: November 8, 2022

Exhibit 2: Legal and Public Records

Exhibit 3: Information Technology & Information Security

Exhibit 4: External Relations

Exhibit 5: Portfolio Management

Exhibit 6: Capital Development

Exhibit 7A: Port of Seattle Police

Exhibit 7B: Security

Exhibit 8: Maritime Maintenance

Exhibit 9: Central Procurement Office

Exhibit 10: Managing Member (Commission Office)

Exhibit 11: Pier 69 Facilities Management

Exhibit 12: Environmental and Planning

Exhibit 13: Tribal Coordination

Exhibit 14: Labor Relations

Exhibit 15: Additional Support Services as Needed

Exhibit 16: Equity, Diversity and Inclusion

Exhibit 17: Municipal, County, and State Use of NWSA-Licensed Property

Schedule

This is a part of the annual budget process.

FINANCIAL IMPLICATIONS

The amounts required to provide the services to the NWSA are included in the Port's 2023 budget.

ADDITIONAL BACKGROUND

None

ATTACHMENTS TO THIS REQUEST

(1) Interlocal Agreement, including 17 service directives attached as exhibits

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

None

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