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APPROVED MINUTES COMMISSION SPECIAL MEETING NOVEMBER 12, 2019

The Port of Seattle Commission met in a special meeting Tuesday, November 12, 2019, in the Central Auditorium at Seattle-Tacoma International Airport, Seattle, Washington. Commissioners Bowman, Calkins, Felleman, and Steinbrueck were present. Commissioner Gregoire was present after 10:02 a.m.

1. CALL to ORDER

The meeting was called to order at 9:17 a.m. by Commission President Stephanie Bowman, who led the flag salute.

2. EXECUTIVE SESSION pursuant to RCW 42.30.110 – None.

3. APPROVAL of the AGENDA

Without objection, the preliminary agenda was revised to remove agenda item 6e from the Unanimous Consent Calendar for separate discussion and vote. Without objection, the preliminary agenda was approved as revised.

4. EXECUTIVE DIRECTOR'S REPORT

Executive Director Steve Metruck previewed items on the day's agenda and made announcements regarding recent election results, including election of new port commissioner Sam Cho, rejection of Referendum 88 supporting Initiative 1000, and passage of Initiative 976 capping car registration fees.

5. PUBLIC COMMENT

Public comment was received from the following individual(s) regarding new cruise facilities at Terminal 46:

- Written materials in lieu of spoken comment from Catherine Ruha, Seattle resident, attached as minutes [Exhibit A](#)
- Jordan Van Voast, Seattle 350
- John Persak, International Longshore Workers Union Local 19
- Jan von Lehe, 350 Seattle volunteer
- Stacy Oaks, Organizer for 350 Seattle
- Michael Foster, Seattle resident
- Mary Paterson, 350 Seattle
- Guila Muir, Seattle resident
- Jim Ace, Stand.earth, including written materials attached as minutes [Exhibit B](#).

- Dr. Elizabeth Burton, People for Climate Action - Seattle
- Margaret "Heather" McAuliffe, Seattle resident

6. UNANIMOUS CONSENT CALENDAR

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

6a. Approval of the minutes of the special meeting of September 10 and regular meetings of September 24 and October 8, 2019.

6b. Approval of the [Claims and Obligations](#) for the period October 1, 2019, through October 31, 2019, including accounts payable check nos. 932176-932771 in the amount of \$11,095,817.96; accounts payable ACH nos. 020843-021762 in the amount of \$79,086,041.84; accounts payable wire transfer nos. 015218-015246 in the amount of \$16,366,496.24, payroll check nos. 194513-194730 in the amount of \$257,647.86; and payroll ACH nos. 934211-938491 in the amount of \$11,102,702.59 for a fund total of \$117,908,706.49.

Request document(s) included an agenda memorandum.

6c. Authorization for the Executive Director to increase the contract value for two existing snow removal contracts by \$1,200,000 to a new contract value of \$2,800,000. These contracts provide snow removal services for the Aircraft Movement Area at the Airport.

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

6d. Authorization for the Executive Director to execute a contract revision for the purchase of liquid and solid pavement deicing agents for use at Seattle-Tacoma International Airport. The revision will be to add \$1,020,000 to the current contract of \$2,200,000 for a total estimated value of this contract of \$3,220,000. There will be no change to the term of the contract. We are one year into the contract, which was bid as a one-year agreement with options for four additional one-year terms.

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

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

6f. Authorization for the Executive Director to execute a new collective bargaining agreement between the Port of Seattle and the International Brotherhood of Teamsters, Local 117, representing Police Sergeants at the Police Department for the Port of Seattle covering the period from January 1, 2019, through December 31, 2021.

Request document(s) included an agenda [memorandum](#) and [redline](#) version of the agreement.

6g. Authorization for the Executive Director to execute a new collective bargaining agreement between the Port of Seattle and the International Brotherhood of Teamsters, Local 117, representing Traffic Support Specialists at the Police Department covering the period from October 10, 2019, through December 31, 2021.

Request document(s) included an agenda [memorandum](#) and [redline](#) version of the agreement.

- 6h. Authorization for the Executive Director to (1) prepare design and construction bid documents for the Air Cargo 4 Maintenance Building Upgrades project at Seattle-Tacoma International Airport and (2) use port crews for preconstruction activities. The amount of this request is \$879,000 for a total estimated project cost not to exceed \$3,000,000 (CIP #C800924).**

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

- 6i. Authorization for the Executive Director to execute an interlocal agreement with the Northwest Seaport Alliance to implement a series of support service agreements to allow port staff to provide services to the NWSA for 2020.**

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

- 6j. Authorization for the Executive Director to advertise and execute a major works construction contract for the replacement of damaged pavements, joint seal, and related utilities for the 2020 Airfield Pavement portion of the 2016-2020 Airfield Pavement Replacement Program at the Seattle-Tacoma International Airport. The 2020 Airfield Pavement Replacement Project is estimated to cost \$18,416,000. The overall Capital Improvement Program budget is \$25,830,000. This authorization is for the remaining \$11,235,000 to perform this construction in the final year of the Capital Improvement Project (CIP #C800483).**

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

- 6k. Authorization for the Executive Director to execute a collective bargaining agreement between the Port of Seattle and the Seattle Building Trades Council at the Port of Seattle covering the period from January 1, 2019, through December 31, 2021.**

Request document(s) included an agenda [memorandum](#) and [redline](#) version of the agreement.

The motion for approval of consent items 6a, 6b, 6c, 6d, 6f, 6g, 6h, 6i, 6j, and 6k carried by the following vote:

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

Absent for the vote: Gregoire

7. SPECIAL ORDERS of BUSINESS

The commission advanced to consideration of –

ITEMS REMOVED from CONSENT

- 6e. Authorization for the Executive Director to execute a sole-source personal service contract with Bombardier Transportation for on-site technical services support for the Satellite Transit System at the Seattle-Tacoma International Airport, for a five-year, seven-month period with a total estimated cost of \$2,500,000.**

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

Presenter(s): Lance Lyttle, Managing Director, Aviation Division; Stuart Mathews, Director, Aviation Maintenance; and Allen Tygeson, Manager, Aviation Maintenance.

Commissioner Gregoire was present after 10:02 a.m.

Commissioners asked about alternatives to the use of a sole-source contract for the services. Staff described the proprietary nature of the equipment and software in question and compared the port's cost for these services to similar, far more costly, arrangements made by other U.S. airports with Bombardier. It was noted that the contract provides a Bombardier employee on site to address any issues that might arise with the shuttle system to the satellite terminals.

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

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

8. AUTHORIZATIONS and FINAL ACTIONS

A single motion was offered to introduce both Resolutions No. 3763 and 3764 as follows:

8a. Introduction and public hearing of Resolution No. 3763: A resolution of the Port Commission of the Port of Seattle adopting the final budget of the Port of Seattle for the year 2020; making, determining, and deciding the amount of taxes to be levied upon the current assessment roll; providing payment of bond redemptions and interest, cost of future capital improvements and acquisitions, and for such general purposes allowed by law which the Port deems necessary; and directing the King County Council as to the specific sums to be levied on all of the assessed properties of the Port of Seattle District in the Year 2020.

Request document(s) included an agenda [memorandum](#), [presentation slides](#), and draft resolution. A copy of the final draft of [Resolution No. 3763](#) will be made available upon adoption.

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

Previously, presentations on the port's 2020 capital and operating budgets and capital funding plan were made on June 4, 11, and 25, July 9, August 13, September 24, and October 8 and 22, 2019.

8b. Introduction and public hearing of Resolution No. 3764: A resolution of the Port Commission of the Port of Seattle specifying the dollar and percentage change in the regular property levy from the previous year per RCW 84.55.120; providing for a three-percent increase of the levy from \$74,160,000 to \$76,384,800.

Request document(s) included an agenda [memorandum](#) and draft resolution. A copy of the final draft of [Resolution No. 3764](#) will be made available upon adoption.

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

Previously, a presentation on the port's 2020 tax levy was made on October 22, 2019.

PUBLIC HEARING on Resolution No. 3763 and Resolution No. 3764

Upon a motion and second for introduction of Resolution No. 3763 and Resolution No. 3764, Commissioner Bowman declared the public hearing for the resolution open.

The goals and priorities of the port's 2020 budget were summarized, and key features of the capital development program were noted. The public engagement process, including public meetings and open house sessions, was described.

Commissioners noted the growth trends reflected in the port's budget arise not from an objective to grow port business but from regional demand for use of port facilities.

Port investments in neighboring communities, most of which are supported by the tax levy, were highlighted and high-level accounting features of the proposed budget were presented. Revenue in 2020 is estimated at \$248 million and capital investment over five years is estimated at \$3.4 billion. Some of the new full-time-equivalent positions in the budget were noted, including at least one new specialist in the Office of the Commission.

The strategy to increase the tax levy three percent each year through 2023 was summarized. In 2020 the impact of the increase to the average King County homeowner is estimated at \$1.74. Commissioners commented on the small size of the tax levy as a proportion of port funding, noting that the port considers itself self-sustaining and applies the tax levy to ensure beneficial economic, environmental, and community impacts.

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

- J.C. Harris, Des Moines councilmember-elect, regarding public engagement on setting the port tax levy, the role of the levy in debt-service coverage on projects not wanted by the public, and the use of the levy for airport noise mitigation in the Highline School District, which he opined should come from airline revenue.
- Randy Fiertz, Alaska Airlines, regarding Alaska's comments on the 2020 port budget, including year-over-year increases in staffing, concerns over indirect allocation of airline revenue to growth within the Northwest Seaport Alliance, and fees related to the International Arrivals Facility.

Commissioners commented on use of the tax levy for projects to benefit the public and economic opportunity and environmental stewardship for future generations. They noted the need to be transparent with the public about the significance of the investments to which levy funding is applied. Commissioners remarked on the need for relief from federal restrictions on the amount that can be charged as passenger facility charges since these charges represent a way to ensure that the users of the airport's facilities pay their share of the associated costs. They commented on the role of the tax levy in preserving the port's capacity to issue indebtedness (bonds) for capital development that benefits the region's economy.

Following conclusion of public testimony, the public hearing on Resolution No. 3763 and Resolution No. 3764 was closed.

**The motion for introduction of Resolution 3763 (agenda item 8a) carried by the following vote:
In favor: Bowman, Calkins, Felleman, Gregoire, Steinbrueck (5)**

**The motion for introduction of Resolution 3764 (agenda item 8b) carried by the following vote:
In favor: Bowman, Calkins, Felleman, Gregoire, Steinbrueck (5)**

8c. Introduction of Salary and Benefits Resolution No. 3765: A resolution of the Port of Seattle Commission amending the policy directive for salaries and benefits for employees not covered by a collective bargaining agreement established by Resolution 3739 and providing an effective date for all amendments of January 1, 2020.

Request document(s) included an agenda [memorandum](#), [presentation slides](#), draft resolution, and exhibit. A copy of the final draft of [Resolution No. 3765](#) will be made available upon adoption.

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

The changes to the port's Salary and Benefits Policy Directive for 2020 were described. These include a 3.5-percent adjustment to pay ranges. The adjustment will likely result in pay increases for about 34 employees currently at the bottom of their pay ranges. The total pay increases for this purpose should amount to about \$46,000 in 2020. It was reported that all pay range minimums will be above the current City of Seattle minimum wage rate. Paid family and medical leave provisions will continue to exceed the benefits of the state plan; therefore, the port will again opt out in 2020.

Commissioners commented on a recent study on productivity and four-day workweeks and on consideration for an infants-at-work program at the port.

AMENDMENT 1

The following late-filed amendment was offered:

In Resolution 3765, line 102, insert the following: In Section 5.2(C)(6), remove "as specified in port policy HR-24 – Relocation"

The amendment was described as technical in nature, a housekeeping change accidentally omitted from the published draft.

The motion to adopt Amendment 1 carried by the required two-thirds vote of the membership as follows:

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

The question recurred on the motion for introduction of Resolution No. 3765, as amended, (agenda item 8c) which carried by the following vote:

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

- 8d. Authorization for the Executive Director to (1) increase the authorized funds for the Central Terminal Infrastructure Upgrade project in the amount of \$5,000,000 for a revised total estimated project cost of \$21,834,000; and (2) execute two construction change orders in excess of \$300,000 and 60-day time extensions (CIP #C800722).**

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

Presenter(s): Dawn Hunter, Senior Manager Airport Dining and Retail, and Trevor Emtman, Capital Program Leader.

The justification for the underlying project was presented. The reasons for project cost growth were summarized, including errors and omissions during the design phase. Staff are reviewing whether any of the impacts are recoverable. Commissioners asked about the finished space and potential revenue.

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

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

- 8e. Introduction of Resolution No. 3766, a Resolution of the Port of Seattle Commission establishing the Port-Wide Arts and Cultural Program Policy Directive, which directs the Executive to create a strategy for art and cultural programs across all port facilities, return art funding to one percent of capital construction projects port-wide, establish art pools for art expenditures, and create an operational budget for art conservation, maintenance, staffing needs, cultural programming, and public engagement.**

Request document(s) included an agenda [memorandum](#), draft resolution, and policy directive exhibit. A copy of the final draft of [Resolution No. 3766](#) will be made available upon adoption.

Presenter(s): Tommy Gregory, Senior Art Program Manager, and Pete Mills, Commission Specialist.

The implications of the policy, including a return to dedicating one percent of capital spending to the port's art program, were summarized. Commissioners asked about art program procedures and whether art exhibits can be sold. They commented on the small percentage of the contribution to the program and its benefits for providing wide access to art and cultural programming to the public. It was also noted that the art program is a job creator. The composition of the Arts and Culture Board was described.

The motion for introduction of Resolution 3766 (agenda item 8e) carried by the following vote:

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

- 9. PRESENTATIONS, REPORTS, and STAFF BRIEFINGS – None.**

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

11. ADJOURNMENT

There was no further business, and the meeting adjourned at 11:38 a.m.

Prepared:

Attest:

Paul J. White, Commission Clerk

Peter Steinbrueck, Commission Secretary

Minutes approved: December 10, 2019.