

START OF TRANSCRIPT

[00:00:30] Good morning. This is Commission Vice
[00:00:31] President Ryan Calkins convening the
[00:00:33] regular meeting of November 11, 2025.
[00:00:36] The time is 10:32am we're meeting in
[00:00:40] person today at the Port of Seattle
[00:00:41] Headquarters Building Commission
[00:00:42] Chambers and virtually on Microsoft
[00:00:44] Teams. Present with me today is
[00:00:47] Commissioner Felman,
[00:00:50] who is currently in the executive
[00:00:51] session room awaiting the opening of
[00:00:52] the public meeting. Commissioner
[00:00:54] Commissioner Cho will be joining us at
[00:00:56] 1045. Commission President Hasegawa
[00:00:59] and Commissioner Muhammad are
[00:01:00] currently absent and excused from the
[00:01:02] meeting today. With Commissioner Cho's
[00:01:04] arrival, we will open the executive
[00:01:07] session to
[00:01:11] to discuss two items regarding
[00:01:13] litigation or potential litigation
[00:01:15] legal risk per RCW 4230110 1I for
[00:01:21] approximately 60 minutes. We'll
[00:01:23] reconvene into public session at 12pm
[00:01:27] thank you. Good
[00:01:32] Good afternoon. This is Commission
[00:01:34] Vice President Ryan Calkins
[00:01:36] reconvening the regular meeting of
[00:01:37] November 11, 2025.
[00:01:40] The time is 12:13pm
[00:01:44] we're meeting in person today at the
[00:01:46] Port of Seattle Headquarters Building
[00:01:47] Commission Chambers and virtually on
[00:01:49] Microsoft Teams. Commission
[00:01:51] Commission President Hasegawa
[00:01:53] Hasegawa and Commissioner Muhammad are
[00:01:55] absent and excused from attendance
[00:01:57] today. Clerk
[00:01:58] Clerk Hart, can you please call the
[00:02:00] role of all commissioners in
[00:02:01] attendance? Yes. Thank you. Beginning
[00:02:03] with Commissioner Calkins here. Thank
[00:02:06] you, Commissioner Cho. President thank
[00:02:08] you. Commissioner Fellman. Present.
[00:02:10] Thank you. We do have a quorum
[00:02:11] established. Okay, a few housekeeping
[00:02:14] items before we begin. For everyone in
[00:02:15] the meeting room, please. Please turn
[00:02:17] your cell phones to silent. For anyone
[00:02:19] participating on Microsoft Teams,
[00:02:21] please mute your speakers when not
[00:02:22] actively speaking or presenting.
[00:02:24] Please keep your cameras off unless
[00:02:25] you are a Commissioner or are a member
[00:02:27] or staff participating virtually and
[00:02:30] are actively addressing the
[00:02:31] Commission. Members
[00:02:32] Members of the public addressing the
[00:02:34] Commission during public comment may
[00:02:35] turn on their cameras when their name
[00:02:37] is called to speak, and we'll turn

[00:02:38] them back off again at the conclusion
[00:02:40] of their remarks. For anyone at the
[00:02:42] dais, please turn off computer
[00:02:43] speakers and silence your devices.
[00:02:45] Please also remember to address your
[00:02:47] request to speak through the chair and
[00:02:49] wait to speak until you have been
[00:02:51] recognized. You'll turn your
[00:02:53] microphones on and off as needed. All
[00:02:55] the items noted here will ensure a
[00:02:57] smoother meeting, and so thank you for
[00:02:58] doing those. All
[00:03:00] All votes today will be taken by the
[00:03:02] roll call method or by general
[00:03:03] consent, so it is clear for anyone
[00:03:05] participating virtually how votes are
[00:03:07] cast. Commissioners will say aye or
[00:03:09] nay when their name is called.
[00:03:11] We are meeting on the ancestral lands
[00:03:12] and waters of the Coast Salish people
[00:03:14] with whom we share a commitment to
[00:03:15] steward these natural resources for
[00:03:17] future generations. This meeting is
[00:03:19] being digitally recorded and may be
[00:03:21] viewed or heard at any time on the
[00:03:23] Port's website and may be rebroadcast
[00:03:25] by King County Television.
[00:03:27] Please stand and
[00:03:29] and join us for the Pledge of
[00:03:30] Allegiance. All
[00:03:52] All right, the first item of business
[00:03:53] today is approval of the agenda. As a
[00:03:55] reminder, if a Commissioner wishes to
[00:03:57] make a general comment for or against
[00:03:59] an item on the consent agenda, it is
[00:04:00] not necessary to pull that item for
[00:04:02] separate discussion. Rather, a
[00:04:04] Commissioner may offer general
[00:04:05] supporting or opposing comments later
[00:04:07] in the meeting. Once we get to that
[00:04:08] part of the agenda, however,
[00:04:10] however, it is appropriate if a
[00:04:12] Commissioner wants to ask questions of
[00:04:13] staff or wishes to have a dialogue on
[00:04:15] a consent agenda item, to request the
[00:04:17] item be pulled for separate discussion
[00:04:19] at this time. Are there any items to
[00:04:21] be pulled from the consent agenda or
[00:04:22] any motions to rearrange the orders of
[00:04:24] the day? All
[00:04:27] All right, Commissioners,
[00:04:28] Commissioners, the question is now on
[00:04:30] approval of the agenda. Is there a
[00:04:31] motion to approve the agenda as
[00:04:33] presented? So moved.
[00:04:35] Second, is
[00:04:37] is there any objection to approval of
[00:04:39] the agenda as presented?
[00:04:42] Hearing none. The agenda is approved
[00:04:44] as presented. Next
[00:04:47] Next on our agenda is the Executive
[00:04:49] Director's Report PD Metric. You have
[00:04:51] the floor. Good

[00:05:00] Good afternoon Commissioners. Thank
[00:05:02] you Commission Vice President Calkins
[00:05:04] for the land acknowledgement earlier
[00:05:07] in today's meeting. Land
[00:05:08] acknowledgments are an important part
[00:05:10] of our ongoing equity efforts,
[00:05:12] especially meaningful this month as
[00:05:13] November is Native American Heritage
[00:05:15] Month. The
[00:05:16] The Port recognizes that our work
[00:05:18] takes place on the ancestral lands and
[00:05:20] waters of the Coast Salish peoples and
[00:05:22] we are deeply grateful for their
[00:05:23] enduring connection to this place and
[00:05:25] remain committed to the partnerships
[00:05:27] that that advance equity,
[00:05:29] environmental stewardship and economic
[00:05:30] opportunities for all communities.
[00:05:33] November also marks Veterans Day
[00:05:35] today, a
[00:05:36] a time to honor and thank those who
[00:05:38] served in the United States Armed
[00:05:39] Forces. The Port of Seattle recognizes
[00:05:42] the dedication, sacrifice and
[00:05:43] leadership of veterans across our
[00:05:45] organization and throughout our
[00:05:46] community. We are grateful for their
[00:05:48] service and remain committed to
[00:05:50] supporting opportunities for veterans
[00:05:52] through our workforce, partnerships
[00:05:53] and programs. The
[00:05:55] The Port is proud to be an employer of
[00:05:57] choice for veterans. As a mission
[00:05:58] driven organization, we greatly value
[00:06:00] veterans contributions to our work and
[00:06:02] culture. We should all take pride that
[00:06:04] veterans, while
[00:06:08] while military veterans today make up
[00:06:10] just 6% of the US population, that
[00:06:12] they make up 16% of the workforce here
[00:06:14] at the Port. A diverse workforce,
[00:06:16] including a strong representation of
[00:06:18] veterans makes the Port a stronger and
[00:06:20] better organization. Special
[00:06:22] Special thanks to our Military
[00:06:24] Veterans at the Port MVP Employee
[00:06:26] Resource Group for annually hosting a
[00:06:28] celebration and recognition event for
[00:06:30] veterans. As a reminder, all Port
[00:06:32] employees are invited to celebrate the
[00:06:34] Veterans Day event on Wednesday at 9am
[00:06:37] at the AOB Conference center at SEA
[00:06:42] Commissioners Speaking of Service,
[00:06:43] We've been closely tracking developing
[00:06:46] developments related to the government
[00:06:48] shutdown. While Congress prepares for
[00:06:50] the necessary votes, our focus is how
[00:06:53] long it may take federal agencies to
[00:06:55] fully restore operations to pre
[00:06:57] shutdown conditions. I continue to
[00:07:00] express my gratitude with how well our
[00:07:01] airport has weathered this shutdown.
[00:07:04] While some flights were canceled due

[00:07:05] to the FAA restrictions beginning last
[00:07:07] Friday, we continue to see safe and
[00:07:09] reliable operations at our airport.
[00:07:12] This is an extraordinary testament to
[00:07:14] the professionalism and commitment of
[00:07:16] our federal partners. I've
[00:07:18] I've heard from local leaders that
[00:07:19] they also appreciate the support our
[00:07:21] staff has shown federal workers.
[00:07:23] I'm grateful that the Port has been
[00:07:24] able to demonstrate its support
[00:07:26] through actions like our October 22nd
[00:07:28] resource fair, our daily food pantry
[00:07:31] stocked with donations from the port,
[00:07:33] airline and community members as well
[00:07:36] stocking the food pantry and the food
[00:07:38] bank distribution by Food Lifeline
[00:07:40] that served over 450 individuals last
[00:07:44] week. The airport will continue to
[00:07:46] keep our Federal workers worker food
[00:07:48] bank open until everything is resolved
[00:07:50] and then donate any remaining
[00:07:52] remaining food as applies to a local
[00:07:54] food bank Commissioners
[00:07:57] Commissioners earlier this year, the
[00:07:59] Port of Seattle filed suit to the
[00:08:01] Growth Management Hearings Board
[00:08:03] regarding a City of Seattle Land Use
[00:08:05] Code amendment to allow dense housing
[00:08:07] in the Stadium District industrial
[00:08:09] area. On
[00:08:10] On Monday, we learned that the Board
[00:08:11] ruled in the Port's favor, finding
[00:08:13] that the ordinance violated the State
[00:08:15] Environmental Policy act and the
[00:08:16] Growth Management act on several
[00:08:18] grounds including inadequate public
[00:08:21] participation, inconsistency with the
[00:08:23] City's Comprehensive Plan and
[00:08:24] violations of the city owned city's
[00:08:26] own land use code. The decision by the
[00:08:29] Board invalidates the ordinance. I
[00:08:31] wanted to acknowledge that many teams
[00:08:34] across the port, particularly our
[00:08:35] Maritime team, external Relations,
[00:08:37] legal and our partners at the
[00:08:38] Northwest Seaport alliance and
[00:08:39] stakeholders across our industries
[00:08:42] industries help assemble key facts for
[00:08:44] this case. We will continue to assess
[00:08:46] the situation as we strive to protect
[00:08:48] our working waterfront and the jobs it
[00:08:51] provides our region. The Port's
[00:08:53] attorneys are reviewing the Board's
[00:08:54] order and evaluating next steps,
[00:08:56] though this will depend somewhat on
[00:08:58] whether the City elects to appeal the
[00:08:59] Board's recent order or elects to
[00:09:01] readopt the ordinance or similar
[00:09:03] legislation. Staying
[00:09:06] Staying at the local level, I'd be
[00:09:08] remiss if I didn't congratulate
[00:09:10] Commissioners Ryan Calkins, Toshiko

[00:09:13] Hasegawa and Hamdi Mohammed on their
[00:09:15] recent election outcome.
[00:09:16] outcome. It
[00:09:18] It is also a period of transition for
[00:09:19] our region and with new officials in
[00:09:21] many leadership roles in King County.
[00:09:23] In cities adjacent to Port operations,
[00:09:26] we look forward to connecting with our
[00:09:27] region's newly elected or reelected
[00:09:29] leaders to share the Port's vision for
[00:09:31] the future and and to share our vision
[00:09:33] for success on economic development,
[00:09:35] equity and environmental
[00:09:37] sustainability programs.
[00:09:41] Things are continually happening here
[00:09:42] at the Port. I'd like to briefly recap
[00:09:44] a few port related events and
[00:09:46] milestones since our last meeting.
[00:09:49] We celebrated Immigrants Day with
[00:09:50] Commissioner Hamdi Mohammed in our
[00:09:52] voice Employee Resource Group. We
[00:09:55] marked the Northwest Seaport Alliance
[00:09:56] 10th anniversary. We welcome fans to
[00:09:59] the K Pop Des Moines Hunters event at
[00:10:01] Sea. Joined
[00:10:02] Joined the City of Seattle in the
[00:10:04] Cascade Bike Club for a ribbon cutting
[00:10:05] for the new East Marginal Way Bike
[00:10:08] Lane. Celebrated the graduation of the
[00:10:10] third cohort of the Youth Maritime
[00:10:12] Career Launch Program. Hosted Korean
[00:10:16] dignitaries to sign a Memorandum of
[00:10:18] understanding with the Port of
[00:10:19] Seattle, Port of Tacoma and the
[00:10:21] Northwest Seaport Alliance. Advancing
[00:10:23] decarbonizing shipping routes marked a
[00:10:26] major milestone in the International
[00:10:28] Rivals Facility Gate Realignment
[00:10:30] Project. And
[00:10:31] And at the end of this week it's been
[00:10:34] a busy couple of weeks here, we'll be
[00:10:35] cutting the ribbon to reopen
[00:10:36] Checkpoint six at Sea.
[00:10:39] It's a race to the finish for many
[00:10:41] things as we're drawing to the close
[00:10:42] of 2025. Moving to today's Commission
[00:10:45] meeting, I'd like to highlight a few
[00:10:47] items on today's agenda. On the
[00:10:49] consent agenda, I will highlight an
[00:10:51] action upgrading a component of our
[00:10:53] Central Mechanical plan, our annual
[00:10:55] service annual
[00:10:56] annual authorization
[00:10:58] authorization of service agreements
[00:11:00] with the Northwest Seaport alliance
[00:11:01] and termination of a concession
[00:11:03] agreement under New Business.
[00:11:07] We've introduced the 2026 Budget Plan
[00:11:09] of Finance, Stormwater Utility Rates
[00:11:12] and our Salary and benefits Resolution
[00:11:13] and I'll have more to say about those
[00:11:15] items during our introduction.
[00:11:17] Commissioners, this concludes my

[00:11:19] report. Thank you. Thank
[00:11:21] Thank you, Executive Director Metruck
[00:11:24] I understand that we do not have any
[00:11:25] committee reports to share today, so
[00:11:27] we will continue on our agenda to the
[00:11:29] public comment portion of our meeting.
[00:11:31] The Port Commission welcomes public
[00:11:32] comment as an important part of the
[00:11:34] public process. Comments are received
[00:11:36] and considered by the Commission in
[00:11:38] its deliberations. Before
[00:11:40] Before we take public comment, let's
[00:11:41] review our rules for in person and
[00:11:43] virtual public comment. Clerk Hart,
[00:11:45] can you please play the recorded
[00:11:46] rules? The
[00:11:52] The Port of Seattle Commission
[00:11:53] welcomes you to our meeting today. As
[00:11:55] noted, public comment is an important
[00:11:57] part of the public process and the
[00:11:59] Port of Seattle Commission thanks you
[00:12:01] for joining us. Before proceeding, we
[00:12:03] will overview the rules governing
[00:12:05] public comment. For your general
[00:12:07] information, each
[00:12:08] each speaker will have two minutes to
[00:12:10] speak unless otherwise revised by the
[00:12:11] Presiding Officer. For the purposes of
[00:12:13] meeting efficiency and and the speaker
[00:12:15] shall keep their remarks within the
[00:12:17] allotted time provided a timer will
[00:12:19] appear on the screen and a buzzer will
[00:12:21] sound at the end of the Speaker's
[00:12:22] comment period. The Commission accepts
[00:12:25] comments on items appearing on its
[00:12:26] agenda and items related to the
[00:12:29] conduct of port business. Presiding
[00:12:31] Officer will ask speakers to limit
[00:12:33] their comments to these topics. This
[00:12:35] rule applies to both introductory and
[00:12:37] concluding remarks. Disruptions of
[00:12:39] Commission public meetings are
[00:12:41] prohibited. General disruptions
[00:12:43] include, but are not limited to, the
[00:12:45] Speaking before being recognized by
[00:12:47] the Presiding Officer holding or
[00:12:49] placing banners and signs in the
[00:12:51] meeting room in a way that endangers
[00:12:53] others or obstructs the flow of people
[00:12:55] or view of others at the meeting
[00:12:57] Intentionally disrupting, disturbing,
[00:12:59] or otherwise impeding attendance or
[00:13:01] participation at a meeting Refusing to
[00:13:03] follow the direction of the Presiding
[00:13:05] Officer or security personnel
[00:13:07] Attempting to use the comment time for
[00:13:09] purposeful delay without conveying a
[00:13:11] discernible message Using the comment
[00:13:13] period to assist in a campaign for
[00:13:15] election of any person to any office
[00:13:18] or for the promotion of or opposition
[00:13:20] to any ballot proposition except when
[00:13:23] addressing action being taken by the

[00:13:25] Commission on a ballot proposition
[00:13:26] appearing on its agenda Directing
[00:13:29] public comments to the audience
[00:13:31] Engaging in abusive or harassing
[00:13:33] behavior, including, but not limited
[00:13:35] to, derogatory remarks based on age,
[00:13:37] race, color, national origin,
[00:13:40] ancestry, religion, disability,
[00:13:42] pregnancy, sex, gender, sexual
[00:13:45] orientation, transgender status,
[00:13:47] marital status or any other category
[00:13:49] protected by law the use of obscene or
[00:13:52] profane language and gestures,
[00:13:54] assaults or other threatening behavior
[00:13:56] and sexual misconduct or sexual
[00:13:58] harassment for safety purposes.
[00:14:01] Individuals are asked not to
[00:14:03] physically approach Commissioners or
[00:14:04] staff at the meeting table during the
[00:14:06] meeting. Individuals
[00:14:07] Individuals may provide written public
[00:14:09] comment before or after the meeting
[00:14:11] and in addition, speakers may offer
[00:14:13] written materials to the Commission
[00:14:15] Clerk for distribution during their
[00:14:17] testimony to the Commission. A
[00:14:19] detailed list of the public comment
[00:14:21] rules is available through the
[00:14:22] Commission Clerk. If a meeting is
[00:14:24] disrupted by an individual in
[00:14:26] attendance in the meeting room or by
[00:14:28] an individual providing public comment
[00:14:30] in person or virtually, the PORT will
[00:14:32] impose progressive consequences that
[00:14:35] that may result in exclusion from
[00:14:36] future meetings. Written materials
[00:14:39] provided to the Clerk will be included
[00:14:40] in today's meeting record. The Clerk
[00:14:42] has a list of those prepared to speak.
[00:14:45] When your name is called, please come
[00:14:47] to the testimony table or unmute
[00:14:49] yourself. If joining virtually
[00:14:51] repeat your name for the record and
[00:14:53] state your topic related to an item on
[00:14:55] the agenda or related to the conduct
[00:14:57] of port business. For
[00:14:59] For those joining virtually when you
[00:15:01] have concluded your remarks, please
[00:15:03] turn off your camera and mute your
[00:15:05] microphone. Our
[00:15:06] Our public comment period will now
[00:15:08] commence. Thank you again for joining
[00:15:10] us today. Clerk
[00:15:12] Clerk Hart, can you please call our
[00:15:14] first speaker? Yes, give me just a
[00:15:16] moment to get the timer up here.
[00:15:31] And our first speaker is Michelle
[00:15:32] Diamarco. Michelle,
[00:15:35] Michelle, just please go ahead and
[00:15:36] repeat your name for the record and
[00:15:37] your agenda item. So
[00:15:40] So I'm Michelle Germarco. And I'm here
[00:15:42] again to comment on the closure and

[00:15:44] evictions at Salmon Bay Marina where
[00:15:46] I've been a live aboard on my
[00:15:47] houseboat for 11 years.
[00:15:49] And I'll just be reporting back here
[00:15:51] regularly with updates about the
[00:15:53] marina and my quest finding a slip for
[00:15:56] my houseboat. Until I do,
[00:15:58] if the Maritime Division leadership
[00:16:01] can't be transparent and accountable
[00:16:02] about what's happening at Salmon Bay
[00:16:04] Marina, at least I can.
[00:16:06] So this week there were no 50 foot
[00:16:08] liveaboard slips available between the
[00:16:10] locks and the cut. I paid my mortgage
[00:16:13] at Salmon Bay Marina, pressure washed
[00:16:15] the boat, had some neighbors over for
[00:16:16] pasta and the wind storms were pretty
[00:16:19] uneventful. Relocation
[00:16:20] Relocation assistance has finally been
[00:16:22] extended to all liveaboards
[00:16:24] a few weeks before many of the
[00:16:26] neighbors are evicted. And initially I
[00:16:27] was excited about this, but
[00:16:29] but as soon as the offer was made, it
[00:16:32] seems every excuse is being made to go
[00:16:34] back on it, including this cruel
[00:16:37] assertion that renting an apartment on
[00:16:38] land is not a qualified relocation
[00:16:41] expense. We're not moving to
[00:16:43] apartments for fun or because we want
[00:16:45] to. We're doing it because the port is
[00:16:47] closing the marina on impossibly short
[00:16:50] notice. Our boats are now worthless
[00:16:51] and we don't want to sleep outside.
[00:16:53] It's being done out of desperation and
[00:16:56] out of great expense for a necessary
[00:16:58] relocation. The leadership at Maritime
[00:17:01] Division unfortunately still does not
[00:17:03] grasp the human impacts of their
[00:17:05] neglect of Salmon Bay.
[00:17:07] When it comes to safety, our humanity
[00:17:09] is top of mind for them. But when it
[00:17:12] comes to any meaningful form of help,
[00:17:14] we are but vessels to them. They can't
[00:17:17] seem to decide if we are people or if
[00:17:19] we are boats. Anyway,
[00:17:21] Anyway, that's where we stand. Thanks
[00:17:23] for listening. Thank
[00:17:26] Thank you Ms. Jamarco
[00:17:28] and our next. Yes, thank you. Our next
[00:17:31] speaker is Robert Pakelon.
[00:17:34] Robert, please go ahead and repeat
[00:17:36] your name for the record and your
[00:17:37] topic here today. Morning.
[00:17:41] Morning. My name is Robert Paquilan
[00:17:44] and I'm here to speak about the Salmon
[00:17:46] Bay Marina. I
[00:17:52] I have, I
[00:17:55] I have taken a slip of one of your
[00:17:57] other facilities and I would still
[00:18:00] like to use your services to until I
[00:18:02] could actually find comparable
[00:18:04] mortgage with covered slip.

[00:18:08] My boat is a wood boat. It will be
[00:18:10] destroyed out in the open and
[00:18:12] and I can't afford to just flat out
[00:18:16] buy a canvas cover for it.
[00:18:22] Kind of basically doing it for the
[00:18:24] just having
[00:18:25] having a basic human need to sleep.
[00:18:29] I work a lot. Like today I have to
[00:18:31] take time off of work. I don't have
[00:18:33] that kind of time. A lot of people do.
[00:18:37] And that's about pretty much All I
[00:18:39] have to say for that, I'm
[00:18:41] I'm locking down. After I leave here,
[00:18:44] I'm going to try to finish locking
[00:18:46] down on the
[00:18:48] the mortgage that you have available.
[00:18:51] And I
[00:18:52] I would still like to find covered
[00:18:54] mortgage. That's
[00:18:57] That's pretty much all I have.
[00:18:59] Thank you, Mr. Barnes. Thank you.
[00:19:04] Next speaker, correct. Our next
[00:19:06] speaker is John Chaney.
[00:19:11] John, please go ahead and repeat your
[00:19:12] name for the record and your topic.
[00:19:17] Good morning, my name is John Chaney.
[00:19:19] I'm here to talk about the evictions
[00:19:21] itself. Salmon Bay Marina.
[00:19:25] I live in Salmon Bay Marina on a
[00:19:28] legally established floating on water
[00:19:29] residence, historically
[00:19:32] historically known as a houseboat and
[00:19:34] my boat, Hadrian. It
[00:19:37] It is affordable
[00:19:39] affordable living for us. We are both
[00:19:41] pensioners and the kind of things that
[00:19:45] we have will have to
[00:19:49] pay in order to be at another place
[00:19:52] is tremendous for us.
[00:19:55] And I don't get it. The port says, the
[00:19:59] port staff says there is no plan for
[00:20:03] this property. No plan. Nothing in the
[00:20:05] budget next year for planning, nothing
[00:20:07] in the budget for capital
[00:20:08] improvements. We've seen no
[00:20:10] maintenance, significant maintenance
[00:20:12] activity. They replaced three boards
[00:20:15] on my dock this year. Maintenance
[00:20:17] Maintenance activity for the port, for
[00:20:19] the marina for a number of years. I
[00:20:22] find this neglectful. I come from the
[00:20:25] business of historic preservation
[00:20:26] where we work with old things and make
[00:20:29] them give them more life.
[00:20:31] And in this case we
[00:20:33] we have a term for that. We call it
[00:20:35] demolition by neglect.
[00:20:37] And I believe that the port has in
[00:20:39] fact done that. If you have a plan, I
[00:20:42] guess that would be great if you had
[00:20:44] told us it would be really nice if you
[00:20:47] had engaged us as tenants
[00:20:49] in what you were planning or thinking.

[00:20:54] I went into the yard to protect my
[00:20:56] boat from your marina.
[00:20:59] Paid a lot of money for that. I went
[00:21:01] in on the 2nd of September, on the
[00:21:02] 11th of September, was told I was
[00:21:04] going to be evicted and came back from
[00:21:06] the yard on the 22nd
[00:21:09] much poorer than I went into the yard
[00:21:11] for work that I would not have had to
[00:21:13] done at any. Had to have done at any
[00:21:16] other marina. So
[00:21:18] So we're hoping for better fairness.
[00:21:21] We really are. Thank
[00:21:23] Thank you. Thank you Mr. Cheney.
[00:21:27] Clerk Hart, our next speaker please.
[00:21:29] Thank you. Our final signed up speaker
[00:21:32] is John Von Viel.
[00:21:37] Apologies. Please go ahead and repeat
[00:21:39] your name for the record. Fondville is
[00:21:41] my last name. John Fondle, my full
[00:21:43] name. So
[00:21:45] So hello, my
[00:21:47] my name is John, as I just described.
[00:21:51] I have a few. Can I actually. Am I
[00:21:53] allowed to ask questions or is it just
[00:21:55] a comment? You're welcome to ask.
[00:21:58] Right, right. You can ask and. Okay,
[00:22:00] we'll make note. So this is my first
[00:22:03] time in front of you. I've been, I've
[00:22:05] been out of the country for the last
[00:22:07] five or six weeks. I,
[00:22:09] I, I
[00:22:10] I have a boat, it's wooden. It's been
[00:22:13] on in the same slip at Salmon Bay for
[00:22:16] 28 years. And
[00:22:19] And I bought the boat about six years
[00:22:21] ago. And
[00:22:22] And one of the main reasons I bought
[00:22:24] it was its location. I
[00:22:26] I live in Magnolia and Salmon Bay is
[00:22:29] in Magnolia, and
[00:22:33] and it was covered.
[00:22:35] So once again, it's another wooden
[00:22:37] boat question issue on Salmon Bay
[00:22:40] Marina, which is covered, owned by the
[00:22:42] Port of Seattle. And
[00:22:44] And I've
[00:22:46] I've been going through my notes and
[00:22:48] my emails over the last five years.
[00:22:52] I have them all. And,
[00:22:53] And, you know, there were a couple
[00:22:56] emails from the port
[00:22:59] advising of high winds.
[00:23:02] Actually, one, the last one I looked
[00:23:04] at was In November of 2024, just about
[00:23:06] a year ago. There
[00:23:07] There is no discussion whatsoever
[00:23:10] about, you
[00:23:12] you know, danger.
[00:23:15] The, the question that, or actually
[00:23:17] the notification was there is a high
[00:23:19] wind advisory from noaa, which is the
[00:23:21] national organization that

[00:23:23] that provides the weather.
[00:23:27] The facts were what, what the weather
[00:23:29] was. It was high winds, essentially.
[00:23:31] And they said, tighten up your lines,
[00:23:33] do what we're supposed to do as
[00:23:34] mariners, take care of our boat,
[00:23:36] because we have our ultimate
[00:23:38] responsibility to do that. There
[00:23:40] There is no discussion about safety.
[00:23:43] And so I,
[00:23:44] I, I'm not going to ask the question,
[00:23:47] but I'm going to make it. The comment,
[00:23:48] I guess, is that I, it's just frankly,
[00:23:52] I'm 66 years old. I've, I'm retired
[00:23:55] now, but
[00:23:56] but I can tell you in my lifetime, in
[00:23:59] my career of working,
[00:24:01] I've never seen a
[00:24:03] a situation like this before where we
[00:24:06] talk about safety,
[00:24:08] which is of the utmost paramount
[00:24:11] importance for anyone, right? It is
[00:24:13] the bottom line as
[00:24:16] as the reason why the Port of Seattle
[00:24:18] is closing Salmon Bay Marina yet. Can
[00:24:22] you wrap up? Mr. Okay, so that's my
[00:24:24] question is this seems very unusual
[00:24:26] that we're being evicted on the basis
[00:24:28] of safety when there has been no
[00:24:30] discussion about safety ever in the
[00:24:32] past. Thank you. Thanks for your
[00:24:34] comments. All
[00:24:36] All right. That concludes our signups
[00:24:38] today. Is there anyone else present on
[00:24:40] the team's call or present in the room
[00:24:42] today who didn't sign up but who
[00:24:44] wishes to address the Commission?
[00:24:49] All right. At
[00:24:50] At this time, I'll ask Clerk Hart to
[00:24:52] give a brief synopsis of any written
[00:24:55] comments we've received. Thank
[00:25:00] Thank you. Mr.
[00:25:03] Mr. Commission Vice President, Members
[00:25:05] of the Commission, Executive Director
[00:25:06] metric. We've received 37 written
[00:25:09] comments from the meeting today. These
[00:25:11] have all been distributed to you in
[00:25:13] advance of the meeting and will become
[00:25:14] a part of the meeting record and
[00:25:16] and are summarized as follows, 36 form
[00:25:19] letters were submitted for public
[00:25:21] comment requesting liquefied natural
[00:25:23] gas be removed from the Northwest
[00:25:25] Ports clean air strategy. These were
[00:25:27] submitted by Cynthia McKittrick, Tammy
[00:25:30] English, Jess Tulip, Sherry Teague,
[00:25:32] Nancy Hadigan, Angie Santiago, Natalie
[00:25:36] OP Dibeck, Kathy
[00:25:38] Kathy Lawhorn,
[00:25:39] Lawhorn, Jess
[00:25:41] Jess Wallach, Connor Bartol, AJ Cho,
[00:25:44] Jesse Strasser, Jerry Strasser, Carrie
[00:25:47] Creed, Diana Shaughnessy, Leah Eister,

[00:25:50] Megan Monahan, Kerry Schaefer,
[00:25:53] Catherine Wilk, Sterling Peel
[00:25:56] Morgan, Chelsea Zipporah Jarman,
[00:25:58] Michaela Heineck, Mick Deidler, Keegan
[00:26:02] Ross, Mars Cabot, Mariah Canton,
[00:26:05] Taylor Owens, Mirinda Chipman,
[00:26:09] Marin Plutt, Gavin Furlong, Kay
[00:26:11] Norton, Julie Andrijewski, Vicki
[00:26:14] Stanek, Bri Long, Mary Harmon Herman.
[00:26:18] Mary Herman. Apologies. And George
[00:26:20] Slats. And then we did receive a
[00:26:22] separate submission, not in the form
[00:26:24] of a form letter, that was received
[00:26:26] from Delia Ward stating that liquefied
[00:26:29] natural gas isn't clean and asking
[00:26:30] that it be removed from the Northwest
[00:26:32] supports clean air strategy. And that
[00:26:34] concludes the written comments we've
[00:26:35] received today. Thank
[00:26:37] Thank you, Clerk Hart. Hearing no
[00:26:39] further testimony, we're going to move
[00:26:41] on in the agenda. Our next order of
[00:26:43] business is the consent agenda. Items
[00:26:47] on the consent agenda are considered
[00:26:48] routine and will be adopted by one
[00:26:50] motion. Items removed from the consent
[00:26:52] agenda will be considered separately
[00:26:54] immediately after adoption of the
[00:26:56] remaining consent agenda items.
[00:26:59] At this time, the chair will entertain
[00:27:01] a motion to approve the consent agenda
[00:27:03] covering items 8A through 8G. So
[00:27:06] moved. Second,
[00:27:08] Second, the
[00:27:10] the motion was made and seconded.
[00:27:12] Commissioners, please say aye or nay
[00:27:13] when your name is called for approval
[00:27:15] of the consent agenda,
[00:27:18] beginning with Commissioner Calkins.
[00:27:20] Aye. Thank you. Commissioner Cho. Aye.
[00:27:23] Thank you. Commissioner Pelleman. Aye.
[00:27:25] Thank you. Three ayes zero nays for
[00:27:27] this item. All right. And with that,
[00:27:29] the consent agenda motion passes.
[00:27:34] Okay. We
[00:27:36] We have three new business items,
[00:27:37] beginning with a public hearing. Clerk
[00:27:39] Hart, can you please read the first
[00:27:40] item into the record? And then we'll
[00:27:42] have Executive Director Mattrick
[00:27:44] introduce it. Yes. Thank you. This is
[00:27:47] agenda item 10A. It's a public hearing
[00:27:50] and introduction of resolution number
[00:27:52] 3839, a resolution adopting the final
[00:27:55] budget of the Port of Seattle for the
[00:27:57] year 2026, making, determining and
[00:28:00] deciding the amount of taxes to be
[00:28:02] levied upon the current assessment
[00:28:03] roll, providing payment of bond
[00:28:05] redemptions and interest, cost of
[00:28:07] future capital improvements and
[00:28:09] acquisitions, and for such general
[00:28:11] purposes allowed by law which the Port

[00:28:13] deems necessary, and directing the
[00:28:15] King County Council as to the specific
[00:28:17] sums to be levied on all of the
[00:28:19] assessed properties of the Port of
[00:28:21] Seattle district in the year 2026, we
[00:28:24] have a companion resolution number
[00:28:26] 3840, a resolution specifying the
[00:28:29] dollar and percentage change in the
[00:28:31] regular property levy from the
[00:28:32] Previous year per RCW 8455.12,
[00:28:37] providing for an increase of the levy
[00:28:40] from \$88,389,944 to
[00:28:45] \$90,180,054.
[00:28:51] Commissioners, we are pleased to
[00:28:52] introduce the Port of Seattle's 2026
[00:28:54] budget and five year capital plan. As
[00:28:57] we often say, a budget is more than
[00:28:59] dollars and cents. It reflects our
[00:29:01] vision and our values. You will see
[00:29:03] both in this presentation. In the work
[00:29:05] ahead for 2026, our expense growth is
[00:29:09] projected to outpace revenue growth.
[00:29:11] Although this is not the first time,
[00:29:12] it is unusual and this is not
[00:29:14] sustainable. This reality requires a
[00:29:17] thoughtful look at how we manage costs
[00:29:19] and use our resources more
[00:29:21] strategically. While we remain well
[00:29:23] positioned for 2026, supported by
[00:29:26] record demand for our essential
[00:29:27] services, a strong mix of business
[00:29:30] lines and major capital investments,
[00:29:33] we must stay disciplined and
[00:29:34] deliberate in our approach for
[00:29:37] for 2026. Examples of this disciplined
[00:29:39] approach can be found in the inclusion
[00:29:42] of Significantly fewer new FTEs Full
[00:29:45] Time Equivalent positions than in
[00:29:47] recent years. This will help the Port
[00:29:50] of Seattle manage expense growth going
[00:29:52] forward. Our collective strength
[00:29:54] allows the Port to advance trade,
[00:29:56] travel, commerce and job creation in
[00:29:58] ways that expand economic opportunity
[00:30:00] and enhance quality of life across our
[00:30:03] region. The
[00:30:04] The key to our continued success lies
[00:30:06] in balancing transformative
[00:30:08] transformative investments with
[00:30:10] careful financial stewardship. The
[00:30:12] budget before you reflects that
[00:30:14] balance. It is important to note that
[00:30:16] this budget is achievable
[00:30:17] achievable because of strong market
[00:30:19] demand and sound management.
[00:30:21] However, we also recognize that these
[00:30:23] conditions can shift quickly. We will
[00:30:26] continue to monitor emerging risks,
[00:30:29] including policy changes, tariffs,
[00:30:31] federally mandated reduction of
[00:30:33] services, and potential reductions in
[00:30:35] federal investment that could affect
[00:30:37] our operations and our industries.

[00:30:39] These conditions continue to inject
[00:30:41] some uncertainty into our forecasts as
[00:30:44] well. Finally,
[00:30:45] Finally, I want to acknowledge that
[00:30:46] the heart of our organization is our
[00:30:48] people. The Port's achievements are
[00:30:50] possible because of our skilled,
[00:30:52] dedicated and innovative employees.
[00:30:55] This budget continues our commitment
[00:30:56] to investing in them, ensuring that
[00:30:58] the Port remains a competitive and
[00:31:00] equitable employer that attracts and
[00:31:02] retains top talent. Thank you
[00:31:04] Commissioners for your engagement and
[00:31:06] thoughtful feedback throughout the
[00:31:07] development of the 2026 budget. I will
[00:31:10] cover the agenda next and then turn it
[00:31:12] over to our finance team to walk
[00:31:14] through the details. The team before
[00:31:15] you today presenting
[00:31:17] presenting is our new cfo, Chris
[00:31:19] Wimstadt, Michael Tong, Director of
[00:31:22] Corporate Budget Finance,
[00:31:24] and Elizabeth Morrison, Director of
[00:31:26] Corporate Finance of Finance and
[00:31:28] Budget. So with that, I'll turn I'll
[00:31:30] cover the first slide here,
[00:31:32] which is the turning next slide
[00:31:35] please, which
[00:31:38] which is just the outline we're going
[00:31:40] to go through today. We will talk
[00:31:41] about the changes after the
[00:31:43] preliminary budget document, the 2026
[00:31:46] operating budget highlights. Then we
[00:31:48] will also cover the commission
[00:31:50] priorities. We'll Talk about the
[00:31:52] 2026-2030 capital plan. We'll go over
[00:31:56] the 2026 sources and uses of funds.
[00:31:59] We'll go over the 2026 budgeting with
[00:32:01] equity lens looking at it and then
[00:32:03] we'll go over the 2026 proposed tax
[00:32:06] levy and so some of your questions
[00:32:08] from the previous time we met and then
[00:32:10] we'll go over the remaining 2026
[00:32:11] budget schedule and with that I'll
[00:32:13] turn it over to Chris Wimshead. Great,
[00:32:16] thank you Executive Director Metruck
[00:32:18] Chris Wimsett, CFO and if we could go
[00:32:20] to the next slide. So
[00:32:23] So first I want to just summarize the
[00:32:26] changes that have occurred in the
[00:32:29] budget since the preliminary budget
[00:32:30] was published. All are within the
[00:32:31] aviation division. So first the
[00:32:34] operating expense
[00:32:36] increase of \$1.1 million that you see
[00:32:39] on the slide was associated with
[00:32:41] coverage needs, specifically security
[00:32:43] coverage related to
[00:32:45] the stack and TSA exit lane contract
[00:32:48] in the operating revenue side
[00:32:50] associated with that under
[00:32:51] aeronautical revenues, the first

[00:32:53] bullet point There is the \$1.1 million
[00:32:55] in cost recovery associated with the
[00:32:57] \$1.1 million increase. In addition to
[00:33:00] that we have an \$853,000 increase to
[00:33:03] incorporate changes
[00:33:05] resulting from the new lease agreement
[00:33:07] with Amazon for building 156A and a
[00:33:11] net increase of \$0.4 million from
[00:33:13] other cost recovery adjustments under
[00:33:15] the airline use agreement.
[00:33:19] To the next slide please.
[00:33:21] There were no other changes since the
[00:33:23] preliminary budget was published for
[00:33:25] any other divisions.
[00:33:28] And onto the next slide please.
[00:33:31] So this is the
[00:33:33] the operating budget highlights. This
[00:33:34] is an overview port wide. What we can
[00:33:37] see are operating revenues baseline
[00:33:39] there on the top line increasing 3.5%
[00:33:42] from the 2025 budget into the 2026
[00:33:45] budget. The increase of about \$39.3
[00:33:48] million is driven entirely by
[00:33:49] increases in aeronautical revenue.
[00:33:52] When we factor in leased interest
[00:33:54] income, which
[00:33:55] which accounting changes are resulting
[00:33:58] from the implementation of GASB 87
[00:34:01] we see total operating revenue plus
[00:34:04] interest income
[00:34:06] income 5.7% change year over year from
[00:34:10] the 2025 budget
[00:34:12] and operating
[00:34:14] operating expenses
[00:34:16] expenses plus lease and
[00:34:19] subscription based IT arrangement.
[00:34:21] Interest expenses are up 9% year over
[00:34:24] year, but baseline expense increases
[00:34:26] are 7.8% which as executive Director
[00:34:29] metruck mentioned kind of underscores
[00:34:31] the outpacing increase of expenses
[00:34:35] versus revenues and net operating
[00:34:37] income is down 3.1% to 428 million
[00:34:40] from the 2025 budget.
[00:34:43] So from there I'll turn it over to our
[00:34:45] budget director Michael Tong to go
[00:34:48] over some more details. Thank
[00:34:50] Thank you Chris. Good afternoon
[00:34:51] Commissioners and Director Metric.
[00:34:54] Next slide please. So
[00:34:58] So I will go over some of the key
[00:35:00] budget driver on the payroll side we
[00:35:03] assume 4% average pay increase for
[00:35:06] long represent employees
[00:35:09] for represent employee
[00:35:11] employee groups, the wages increase
[00:35:14] based on contract.
[00:35:17] And then also we analyze all the new
[00:35:19] FTE that was approved
[00:35:22] last year in the 2025 budgets. A
[00:35:24] number of those we did not budget for
[00:35:27] the full year. We start, you know,
[00:35:28] some in

[00:35:29] in the middle of the year in 2025. So
[00:35:33] we have to analyze that
[00:35:35] also we have a net of 5 FTE in the mid
[00:35:39] year pool for this year as well.
[00:35:42] And then we added a 12 new FTE. A net
[00:35:46] of total FTE I should say because the
[00:35:49] total 17 but we eliminated 5 FTE so
[00:35:52] it's the net of 12 for 2026 budget.
[00:35:57] So and the other important notes here
[00:35:59] is the 4% vacancy rate
[00:36:03] we in the past we put in 5%
[00:36:07] for the past few years
[00:36:09] and this year we reduced it to 4% for
[00:36:14] a couple of reasons. First
[00:36:16] First is that we have newer new FTE
[00:36:19] this year compared to especially after
[00:36:21] the COVID We
[00:36:23] We have approved a number of FTE to
[00:36:27] catch up some of the hiring
[00:36:29] hiring fees during the COVID years.
[00:36:33] And then also the other reasons we
[00:36:34] also have less vacant position.
[00:36:38] So that's the main reason we reduced
[00:36:40] that. But also our
[00:36:42] our payroll budget for 2026 is about
[00:36:45] 455 million.
[00:36:48] So 1% reductions translate to a little
[00:36:51] bit over 4.5 million increase. So just
[00:36:53] want to point that out on
[00:36:55] on the non payable side
[00:36:57] it's driven by a number of reason here
[00:37:00] versus growing operation need and also
[00:37:03] the increase in contractual
[00:37:05] contractual costs
[00:37:07] and the maintenance cost for some of
[00:37:08] our new facilities. And also
[00:37:11] additional resources
[00:37:13] for customer services and safety and
[00:37:16] security for our operation as well as
[00:37:18] some other operational
[00:37:20] operational needs. Next
[00:37:22] Next slide please. So
[00:37:25] So here you can see a couple of these
[00:37:29] new major non payable items. I won't
[00:37:33] go for all of them, but just want to
[00:37:34] point out a few of those Chris
[00:37:36] Chris mentioned about the TSA exit
[00:37:38] link staffing contract. Originally we
[00:37:40] budget 3.5 million and then we added
[00:37:44] 1.1 million that Chris mentioned a
[00:37:46] little bit earlier in
[00:37:47] in 2025 budget. We did not budget for
[00:37:50] that because we did not know when we
[00:37:52] put the budget together at that time
[00:37:53] last fall.
[00:37:56] So this
[00:37:57] this year we expect to spend 3.5
[00:37:59] million in
[00:38:00] in actual and
[00:38:02] and then given the growing rate we
[00:38:04] added another 1.1 million to 4.6
[00:38:07] million for 2026. And then the other
[00:38:10] one second one is the expense

[00:38:12] component related to the capital
[00:38:14] project. So we as you all know going
[00:38:16] have a growing capital needs and some
[00:38:19] of the costs we cannot capitalize
[00:38:20] there. So that translates to about 2.6
[00:38:22] million. The
[00:38:24] The third one is the five corridor
[00:38:26] safety program we have PDF 2 million
[00:38:29] and then the next one is the
[00:38:33] on site consultant for some of our
[00:38:35] tenant ongoing tenant project or some
[00:38:37] new tenant projects. So that's 2
[00:38:40] million there. So for the rest, unless
[00:38:44] you have questions, I will get to the
[00:38:46] next slide please.
[00:38:51] So here's some of the Commission 2026
[00:38:55] budget priorities. I start with
[00:38:57] deviation based
[00:39:00] based on your order. 202413
[00:39:06] we added 1.55 million
[00:39:09] for investment in SEA move and then
[00:39:12] 25,000 for
[00:39:15] connector and off site check
[00:39:18] feasibility study. Next
[00:39:20] Next slide please. And
[00:39:22] And then for Maritime we budgeted 400k
[00:39:26] for propeller sighting
[00:39:28] sighting and then 30,000 for SEA lion
[00:39:32] mitigation and 12,000 for orca kiosks.
[00:39:35] Next slide please. For
[00:39:38] For EDD we put in 150
[00:39:42] for the hard
[00:39:43] hard to see here. Give me a second. So
[00:39:51] for the business and economic
[00:39:53] development plans and then 100k for
[00:39:56] shipbuilding readiness and then the
[00:39:58] 100k for the sustainable aviation
[00:40:01] fields. Next
[00:40:02] Next slide please. And
[00:40:06] And then central services we have a
[00:40:08] number of items. I probably don't need
[00:40:09] to go for all those but I'll point out
[00:40:11] just a couple items. Main item here,
[00:40:13] the 601st item is 670,000 for the
[00:40:17] maritime workforce development
[00:40:19] investments there. And the second one
[00:40:22] is the Warmbas Valley community equity
[00:40:24] program a little bit over 600,000
[00:40:27] and then you can see the rest here.
[00:40:31] Next slide please.
[00:40:35] And then continue the 100k for
[00:40:38] maritime continue to fund the maritime
[00:40:40] high school and then 88k for the anti
[00:40:43] human traffic and then the corpus
[00:40:45] 50,000. Next
[00:40:48] Next slide please. So
[00:40:52] So would like to give you a summary of
[00:40:55] the community program
[00:40:58] for 2026. We plan to invest 21.5
[00:41:02] million into
[00:41:04] into 13 programs supporting the equity
[00:41:07] and equitable economic opportunity
[00:41:10] developments for the region. Those

[00:41:13] included the diversity in contracting
[00:41:16] 1B business and then also the
[00:41:22] diversity, equity
[00:41:24] equity inclusion and also in the
[00:41:26] workforce development as well as the
[00:41:28] in the South
[00:41:30] South King and port community fund and
[00:41:32] do Duwamish Valley community fund as
[00:41:34] well as the economic development and
[00:41:36] the tourism area.
[00:41:38] Next slide please. So
[00:41:41] So here's a slide to show you the
[00:41:44] changes from 2023 budget to the 2026
[00:41:48] proposed budget. It
[00:41:51] It shows a gradual increase for the
[00:41:54] past few years as you can see here.
[00:41:56] And you can see the detail
[00:41:58] in the appendix for all the community
[00:42:01] program list as well as the committee
[00:42:04] program funded by tax levies.
[00:42:06] Next slide please. And
[00:42:09] And here you can see on the chart on
[00:42:12] the left. So the
[00:42:15] budget amount as well as the
[00:42:17] percentage of each of the community
[00:42:21] program funding by activities. And
[00:42:24] then the detail on the left or the
[00:42:26] list on the left show the key
[00:42:29] complete program by budget dollar
[00:42:31] amount. Next
[00:42:34] Next slide please. And
[00:42:37] And moving on to the five year CIP.
[00:42:40] So we expect to spend
[00:42:44] close to 933 million in 2026. And then
[00:42:49] for the next five years we expect to
[00:42:52] spend about 4.4 billion.
[00:42:55] Those did not include the Seaport
[00:42:58] alliance. Our
[00:42:59] Our portion of the Seaport Alliance
[00:43:00] CIP that you approved last week.
[00:43:04] For our portion it
[00:43:06] it was all expected to be 255 million
[00:43:10] for the
[00:43:12] the 2026 budget.
[00:43:15] Excuse me, for the five year plan.
[00:43:18] Next slide please. So
[00:43:21] So we would like to give you a summary
[00:43:23] of the 2026 sources and uses of fund
[00:43:28] because part that's a requirement for
[00:43:31] the statutory budget that we will file
[00:43:33] with the county later on by the end of
[00:43:35] this month. Next slide please.
[00:43:39] We expect to spend about 4.4 million
[00:43:43] or we still 4.4 million sources fund
[00:43:46] for 2026.
[00:43:49] As you can see here, the biggest
[00:43:51] categories from
[00:43:53] from the operating revenues almost a
[00:43:55] little bit over 45%
[00:43:57] and then the bond proceed that we
[00:44:00] expect to issue will be almost 36%
[00:44:04] next year. And it's also worth to
[00:44:07] point out that the tax levy again will

[00:44:09] subject to your review and approval
[00:44:10] but based on the current assumption we
[00:44:13] expect about 3 that
[00:44:15] that will be about 3.7% of the total
[00:44:17] sources in 2026.
[00:44:19] Next slide please. As
[00:44:22] As for the sources of fund, we expect
[00:44:24] to spend about 2.2
[00:44:27] billion in
[00:44:28] in 2026. The biggest piece is going to
[00:44:32] the funded capital project. So it's a
[00:44:34] little bit over 40%.
[00:44:36] And then the operating expenses will
[00:44:39] be about One third, about 22%.
[00:44:42] And then the rest you can see is
[00:44:44] related to the debt services
[00:44:46] for interest payments and bond
[00:44:49] redemptions. About what? The total is
[00:44:51] about 21%. Next
[00:44:53] Next slide please. So
[00:44:56] So moving on to
[00:44:59] budgeting with equity. Next slide
[00:45:02] please. So
[00:45:04] So here's a definition, you're
[00:45:06] probably pretty familiar with that
[00:45:08] we've been using the same definition
[00:45:10] for the past few years. So just more
[00:45:14] for you, you know, to make sure you
[00:45:15] kind of when
[00:45:17] when you look at that, before you look
[00:45:19] at that number, just make sure you
[00:45:20] know, we, you and the public
[00:45:21] understand the definition. Overall we
[00:45:23] are pretty conservative, pretty strict
[00:45:26] in terms of, you know, how
[00:45:27] how to Classify the equity spending.
[00:45:31] Some of those in the gray area, we, we
[00:45:33] try to exclude that even though my,
[00:45:35] you know, someone may argue that
[00:45:37] probably can qualify as well. So next
[00:45:39] slide, please. So
[00:45:41] So here you can see the equity
[00:45:44] spending over the past few years since
[00:45:46] 2019. The
[00:45:48] The Blue Bar represents the actual
[00:45:52] spending and the budget for the last
[00:45:54] for 2025 and 2026
[00:45:58] overall, you can see, you know, from 9
[00:46:01] million in 2020, 2019, excuse me, to
[00:46:05] over 24 million in 2026.
[00:46:09] So it's pretty steadily increased over
[00:46:12] the years. The
[00:46:13] The reason for 2025, you can see a big
[00:46:16] jump there is because we have several
[00:46:18] pilot programs, especially at the
[00:46:20] airport, where the trial care, the,
[00:46:22] you know, the SEA
[00:46:26] move and some of the other
[00:46:29] pilot programs over there. So that's
[00:46:31] part of the reason, you know, you see
[00:46:32] a big jump in 2025 budget. And then
[00:46:35] the blue line, excuse me, the green
[00:46:37] line you can see is the percentage as

[00:46:39] a percentage of total operating
[00:46:41] expenses. It's also going up over the
[00:46:44] year, generally speaking, from 2%,
[00:46:47] just 2% in 2019 to over 3% in the last
[00:46:50] couple years. So
[00:46:53] So next slide, please.
[00:46:57] So with that, I'll turn it over to
[00:46:59] our executive director, Magic and
[00:47:01] Elizabeth for the tax levy. Thank you.
[00:47:06] Thank you, Michael. Next slide,
[00:47:08] please. Now we're going to transition
[00:47:09] to the tax levy. And before I turn it
[00:47:11] over to Elizabeth, I just wanted to
[00:47:13] give our the bottom line up front
[00:47:16] regarding our recommendation for the
[00:47:17] tax levy. We do recommend that the
[00:47:19] 2026 tax levy be increased based on
[00:47:23] the 75% of the maximum that we have,
[00:47:26] and that would recommend a 2% increase
[00:47:28] for 2026. Now, based on the feedback
[00:47:31] from the commissioners and further
[00:47:32] discussions with them in 2026, we will
[00:47:35] develop and analyze new levy scenarios
[00:47:37] for the commission to consideration.
[00:47:39] You'll see some today, some
[00:47:40] calculations on the 25 budget, but we
[00:47:43] will really aim towards that budget
[00:47:46] retreat in 2026,
[00:47:48] looking at a longer term and looking
[00:47:50] at that assessment and prioritization
[00:47:52] of additional needs, other funding
[00:47:54] opportunities for our budget,
[00:47:56] appropriate communication with
[00:47:58] stakeholders at that time, taxpayers,
[00:48:00] rating agencies and investors, and
[00:48:03] incorporate a broader context of
[00:48:05] looking at port resilience. When we
[00:48:06] come back to you in 20, when we start
[00:48:08] that budget planning process for 27
[00:48:11] and 26. But again, Elizabeth's going
[00:48:13] to walk through and I think we're
[00:48:15] going to look at provide some of that
[00:48:16] further analysis that we, that we
[00:48:20] those requested in the feedback that
[00:48:22] we received from the commissioners at
[00:48:23] the last commission meeting. With
[00:48:24] that, I'll turn it over to Elizabeth
[00:48:26] Morrison. Elizabeth, thank You. Good
[00:48:28] afternoon. The
[00:48:30] The last time we met on October 28, we
[00:48:33] were short on time. So I appreciate
[00:48:34] this opportunity to come back and
[00:48:37] continue this conversation on the tax
[00:48:39] levy. It's a very important decision
[00:48:42] that you all make each year.
[00:48:44] Next slide, please. We'll
[00:48:47] We'll start with this graph. You've
[00:48:49] seen this before, but we didn't spend
[00:48:50] much time on it at the last meeting.
[00:48:53] And seeing where we've been can help
[00:48:56] inform where
[00:48:57] where we're going. We begin the graph
[00:49:00] in 1990 because that's the year that

[00:49:03] the legislature allowed taxing
[00:49:05] authorities to tax below their maximum
[00:49:09] authority and still retain the ability
[00:49:13] to in the future tax up to the
[00:49:15] maximum, commonly known as banked
[00:49:17] capacity. And so the port has since
[00:49:21] then always done that, always been
[00:49:23] below the maximum. And in fact, in the
[00:49:26] 1990s there was
[00:49:28] anti tax sentiment among
[00:49:31] the taxpayers
[00:49:33] taxpayers in King county.
[00:49:35] And there was an effort on the part of
[00:49:37] the commission to try and have the
[00:49:38] seaport be self sustainable and not
[00:49:42] need the tax levy.
[00:49:44] In 2001 we had several changes. One
[00:49:49] was the Tim Eyman initiative that
[00:49:51] reduced the levy limit to 1%. It had
[00:49:56] been 6%. And so the maximum levy now
[00:49:59] grows at 1% plus new construction
[00:50:02] averaging about 2% instead of the
[00:50:05] prior 6% growth. The other two big
[00:50:08] events were the attacks of 9 11, which
[00:50:12] saw depressed
[00:50:14] air traffic for a few years. We saw a
[00:50:18] decline in employments and they kind
[00:50:20] of stayed low for a few years. And we
[00:50:24] had the dot com bust recession. The
[00:50:26] combination of those two things meant
[00:50:29] that the port had some financial
[00:50:32] challenges. And so the commission
[00:50:34] raised the levy in 2003 by 46%
[00:50:39] to address those financial challenges.
[00:50:42] So that was a
[00:50:44] a time when we tapped into that bank
[00:50:47] capacity for that financial
[00:50:50] resilience. We
[00:50:51] We had another bump up
[00:50:54] during the Great Recession in 2007 and
[00:50:57] 2008. We saw 20% cumulative increase
[00:51:02] over those two years. And then we
[00:51:05] started keeping the levy sort of flat.
[00:51:07] While we regained some of that banked
[00:51:10] capacity in 2019,
[00:51:13] we began to take modest increases to
[00:51:17] try and retain the buying power.
[00:51:21] So over this period of time,
[00:51:24] the relative difference between the
[00:51:27] actual levy and the maximum levy has
[00:51:29] varied quite a bit. As you can see, it
[00:51:31] has averaged 75%. And so that's where
[00:51:35] we have come up with the 75% that we
[00:51:38] have been using for the past several
[00:51:40] years. If
[00:51:41] If we had just kept up with inflation
[00:51:44] inflation, the port would have levied
[00:51:47] \$80 million less in total over this
[00:51:51] time period. So having this
[00:51:53] flexibility allowed the port to levy
[00:51:55] 80 million more than if we had just
[00:51:57] kept up with inflation.
[00:52:00] Next slide please. So

[00:52:04] So this provides some detail of recent
[00:52:06] history. Beginning
[00:52:08] Beginning in 2019, trying to preserve
[00:52:11] some buying power. We did that for
[00:52:12] several years. It was also a time
[00:52:15] where we were anticipating some
[00:52:17] significant seaport
[00:52:18] seaport investments. We had considered
[00:52:22] a cruise terminal at Terminal 46. We
[00:52:25] also had the T91 uplands, we had the
[00:52:27] T117 habitat
[00:52:29] habitat restoration, the Maritime
[00:52:33] Innovation Center.
[00:52:35] So a number of big innovations
[00:52:36] investments that we wanted to be able
[00:52:38] to fund. But
[00:52:40] But because maximum only grows at 2%,
[00:52:44] the 3% wasn't sustainable forever. And
[00:52:48] so we shifted to the 2% growth based
[00:52:54] on 75% of maximum. And that's where we
[00:52:57] have been for a number of years.
[00:53:02] This approach has been effective in
[00:53:05] trying to strike that balance between
[00:53:07] doing well and doing good because it
[00:53:10] does give us a regular increase in the
[00:53:13] tax levy each year while still
[00:53:16] retaining financial resilience. It is
[00:53:19] not the only approach, it's the one we
[00:53:21] have used and it's been effective. But
[00:53:23] there are other approaches we can
[00:53:24] certainly consider. So
[00:53:26] So next slide please.
[00:53:31] So based on the conversation on the
[00:53:33] 28th, we came up with four possible
[00:53:37] scenarios. The one in bold is the
[00:53:40] current recommendation that keeps the
[00:53:43] current approach. We
[00:53:45] We also looked at possibly just
[00:53:48] leaving the levy flat, which we've
[00:53:50] done before and that
[00:53:53] keeps more money in taxpayers pockets
[00:53:56] but also means less
[00:53:58] revenues for the port and for the
[00:54:01] things that we want to do.
[00:54:04] The other two scenarios increase the
[00:54:07] levy one by the current rate of
[00:54:10] inflation and I'll Note that that 4.4%
[00:54:13] rate has since been adjusted down to
[00:54:17] closer to 4%. This is based on King
[00:54:19] county forecasted CPI for 2026. The
[00:54:24] other is if we wanted to catch up to
[00:54:26] that red inflation adjusted line from
[00:54:29] the prior slide, that would be almost
[00:54:31] an 11% increase in the tax levy.
[00:54:36] Next slide please. So
[00:54:40] So each of these scenarios has pros
[00:54:42] and cons, but fundamentally
[00:54:47] the higher the tax levy, the more
[00:54:50] money that the port has to do what we
[00:54:53] might need to do and the less money
[00:54:56] that taxpayers retain.
[00:54:59] The two increased scenarios in
[00:55:02] particular also have the downside of

[00:55:04] changing the approach
[00:55:08] without the in depth analysis
[00:55:11] that staff would like to provide you,
[00:55:15] where we take a holistic approach to
[00:55:18] that balance between what we want to
[00:55:21] do and the financial resilience and
[00:55:25] allowing our CFO to
[00:55:28] give his insights into
[00:55:31] those scenarios and recommendations.
[00:55:38] Next slide please. So
[00:55:43] So as Steve mentioned,
[00:55:47] the Recommendation is twofold. First
[00:55:51] to stay the course for 2026, keep with
[00:55:54] this with the approach that we have
[00:55:56] used successfully for several years
[00:55:59] and second to step back and do an in
[00:56:03] depth look at other Alternatives that
[00:56:07] can help us balance what we need to
[00:56:09] balance. So
[00:56:10] So the reasons why the 2026
[00:56:15] recommendation works is, first of all,
[00:56:18] it does fully fund the environmental
[00:56:20] liabilities that we have now. It
[00:56:22] doesn't necessarily fund all of the
[00:56:25] projects that might be
[00:56:28] on a list of that
[00:56:30] that the port might want to do. And I
[00:56:33] know Commissioner Calkins asked about
[00:56:35] are there deferred maintenance
[00:56:37] projects. So we'd like to take a more
[00:56:41] thoughtful look at some of those
[00:56:42] projects. We know this building, our
[00:56:44] headquarter building, is in need of
[00:56:46] some repairs, but we'd like to take a
[00:56:49] closer look at that and whether that's
[00:56:51] something we'd want to recommend
[00:56:53] moving forward. The
[00:56:55] The other thing is we've been hearing
[00:56:57] that taxpayers are a little fatigued
[00:57:00] with taxes and people are stressed
[00:57:03] financially these days with a lot of
[00:57:05] uncertainty regarding employment and
[00:57:08] snap benefits and
[00:57:11] whole host of things.
[00:57:13] So this might not be the year to take
[00:57:16] an increase more than the 2%.
[00:57:19] The recommendation balances the
[00:57:22] funding sources while supporting our
[00:57:24] strong bond rating. And I know
[00:57:26] Commissioner Cho has asked about
[00:57:28] what does that really mean? You know,
[00:57:30] can we quantify that? So we did look
[00:57:33] at if
[00:57:34] if we got a downgrade, what that would
[00:57:36] mean. And it depends in part on how
[00:57:39] much of a downgrade. And the credit
[00:57:41] markets, you know, when credit spreads
[00:57:44] are narrow, there's not so much of a
[00:57:46] penalty if you're downgraded. When
[00:57:47] credit, credit spreads are wide,
[00:57:49] there's more of a penalty. So we
[00:57:51] estimate somewhere between 1 to 5
[00:57:54] million a

[00:57:55] a year in additional interest expense
[00:57:58] on our revenue bonds
[00:58:00] if we, if we were downgraded. Now, I
[00:58:03] do feel optimistic that if we are
[00:58:06] taking a deliberate approach and
[00:58:09] coming up with a different approach
[00:58:12] that is a
[00:58:13] a holistic look at financial
[00:58:15] resilience as well as our needs and
[00:58:18] have good justification for changing
[00:58:20] our approach that we will not be
[00:58:22] downgraded. We want to be able to
[00:58:24] communicate clearly with
[00:58:27] our investors why and what we're
[00:58:31] doing. And
[00:58:32] And then I would be optimistic we
[00:58:34] would not see an impact. But it does
[00:58:37] require the kind of thoughtful
[00:58:40] approach that the port has taken in
[00:58:42] the past with financial management.
[00:58:45] The other reason to not change for
[00:58:49] 2026 is that we're currently
[00:58:52] forecasting a 24 million dollar
[00:58:54] surplus in the levy at the end of the
[00:58:57] year. Now
[00:58:59] Now we do over the long term expect
[00:59:01] that that gets spent. But if we do
[00:59:05] have things that, that we decide we
[00:59:06] really want to do in 26, we can use
[00:59:08] that 24 million and then take a larger
[00:59:12] increase in 27 if we need to. So it's
[00:59:15] not like this action,
[00:59:17] this year will mean that we can't do
[00:59:20] anything else that's not on our
[00:59:22] current list. And
[00:59:24] And then lastly, the fundamental
[00:59:26] problem is that I'm an initiative that
[00:59:28] capped the increase at 1% when we were
[00:59:31] in the Great Recession and inflation,
[00:59:33] inflation was virtually zero. It was
[00:59:35] fine. But now we've seen years in
[00:59:38] 2022, inflation was 9% in King county
[00:59:41] and that is a challenge when the levy
[00:59:45] increase is capped at 1% plus new
[00:59:47] construction. Next
[00:59:50] Next slide please. So
[00:59:52] So the second part of our
[00:59:54] recommendation is that we come back to
[00:59:57] you next year with more thoughtful
[00:59:59] analysis. Crisis. We've
[01:00:00] We've talked about a resource
[01:00:03] conscious approach to building capital
[01:00:05] capacity that includes looking at our
[01:00:08] operating expense growth, looking at
[01:00:10] new revenue opportunities and looking
[01:00:12] at managing the capital program
[01:00:15] with clear priorities and value
[01:00:18] engineering to some of our projects.
[01:00:21] We'll continue to monitor the needs
[01:00:23] for environmental remediation as well
[01:00:25] as for for capital and
[01:00:27] and we'll develop scenarios to bring
[01:00:30] to you for consideration.

[01:00:34] So we'll evaluate this within the
[01:00:36] broader context because as we
[01:00:39] discussed at the last meeting,
[01:00:41] the tax levy is not only a source of
[01:00:43] cash, it's also a source of support
[01:00:46] for the port's revenue bonds, which
[01:00:49] are a much bigger share of of our
[01:00:51] funding sources. All
[01:00:57] All right, turn it back to Chris.
[01:01:01] Great, thank you, Elizabeth.
[01:01:04] So here on the last slide of the
[01:01:06] presentation, this just summarizes the
[01:01:08] remaining 2026 budget schedule. So
[01:01:11] ideally we'll be back a week from
[01:01:13] today for the adoption of the 2026
[01:01:15] budget in time to file the statutory
[01:01:17] budget with the the county here by the
[01:01:19] end of this month, November 26, and
[01:01:21] release of the final document in early
[01:01:24] December, specifically December 5th of
[01:01:27] 2025. All
[01:01:31] All right, thank you for the
[01:01:32] presentation and welcome, Chris. Great
[01:01:34] first presentation. Thank
[01:01:35] Thank you, Elizabeth. Thank you,
[01:01:37] Michael. Going
[01:01:38] Going to turn it over to my fellow
[01:01:39] commissioners with any questions or
[01:01:41] comments. Yeah. Elizabeth, I
[01:01:42] appreciate your presentation on the
[01:01:44] tax levy and I know you've, you and I
[01:01:46] have gone back and forth a lot about
[01:01:48] this, but one question that I don't
[01:01:49] think I've ever asked is what is
[01:01:50] actually our book capacity right now,
[01:01:52] our bank capacity? 30 million. 30
[01:01:55] million. Okay, so we can
[01:01:59] raise the levy from what was 88, I
[01:02:01] think it was like 88 million to
[01:02:04] 128 million. If we were to make that
[01:02:07] call. Not
[01:02:08] Not this time around, but yes, the
[01:02:10] maximum levy for next year is about
[01:02:12] 120 million. So the levy could be
[01:02:14] raised to that amount. Okay, got it.
[01:02:16] And then you said something earlier in
[01:02:18] your presentation about us having
[01:02:20] drawn \$80 million more because we
[01:02:23] didn't max out on the levy. I wasn't
[01:02:25] sure what you meant by that. Oh, it's
[01:02:27] because we didn't keep up with
[01:02:29] inflation or we actually levied more
[01:02:32] than inflation. If we could go Back to
[01:02:33] Slide 25, please.
[01:02:44] So the green dotted line is the
[01:02:46] inflation adjusted levy. If in 1990
[01:02:50] when bank capacity was introduced, if
[01:02:52] we had just decided to keep up with
[01:02:54] inflation every year, we would have
[01:02:55] followed that dotted green line
[01:02:59] and that would have represented
[01:03:02] \$80 million less
[01:03:03] less than what the port actually

[01:03:06] collected during this period.
[01:03:09] So your statement is benched.
[01:03:11] Benchmarked based off the inflation
[01:03:12] rate, not the rate that we actually.
[01:03:14] The maximum allowable. Correct. Got
[01:03:17] it. Okay. Thank you for that
[01:03:18] clarification. I look forward to
[01:03:20] seeing your analysis on the lock slavy
[01:03:22] next year. Commissioner
[01:03:23] Commissioner Fell, thank
[01:03:28] thank you once again and appreciate
[01:03:30] the further detail and certainly
[01:03:32] understand the
[01:03:34] the value of waiting for you to do
[01:03:36] further analysis based on what you've
[01:03:38] been hearing for I think the past
[01:03:40] couple of years of our interested to
[01:03:42] know and you know, obviously
[01:03:45] people often ask, you know, why we
[01:03:48] have a levy at all and why aren't we
[01:03:50] paying the public rather than vice
[01:03:52] versa. And one of two things that
[01:03:56] I think as you mentioned before, that
[01:03:59] while the Levy is like 3.7% of our
[01:04:03] budget, the
[01:04:06] revenue bonds is 35.8. Right.
[01:04:10] And the relationship of one to the
[01:04:13] other is I think a significant
[01:04:15] connection. That or
[01:04:16] or a bond rating overall is a
[01:04:19] significant thing that I don't know
[01:04:21] that the
[01:04:22] the public can fully appreciate. And I
[01:04:23] think we should understand, help them
[01:04:26] understand the leveraging of that. And
[01:04:29] ultimately we're not here to raise
[01:04:31] money, we're here to raise jobs. And
[01:04:33] so that connectivity also I think we
[01:04:36] can do a better job of explaining to
[01:04:37] the public and if we were to raise the
[01:04:39] levy, you know, it's kind of hard to
[01:04:42] directly tie
[01:04:43] tie that to number of jobs. But I
[01:04:45] think the
[01:04:47] the why is important and why we're
[01:04:50] sitting here considering, you know,
[01:04:52] increasing the actual rate on the
[01:04:54] public right now is zero because of
[01:04:56] the price of housing and stuff like
[01:04:57] that. Right. The average
[01:04:59] average taxpayer. But the
[01:05:02] whole rationale for this I think is
[01:05:04] something that we could do a better
[01:05:05] job of helping the public appreciate
[01:05:07] that. So
[01:05:08] So I appreciate that opportunity as
[01:05:12] part of your further analysis to help
[01:05:16] explain that. The
[01:05:18] The other thing in terms of helping
[01:05:20] explain to the public is my favorite
[01:05:22] subject is the budget in brief and I
[01:05:25] assume shortly after
[01:05:28] we lay hands on this draft

[01:05:30] that will be something because it is a
[01:05:32] great communication tool and I know
[01:05:35] we'll have some public meetings but
[01:05:37] certainly that's still part of the
[01:05:38] Plan. Right. And that's
[01:05:41] that's in the calendar. Right? Yes. We
[01:05:43] already published the budgeting bid
[01:05:46] based on the permanent numbers on the
[01:05:48] POP website, along with the permanent
[01:05:50] budget document that you received. And
[01:05:52] we'll update that once you have the,
[01:05:54] you know, you approve the budget.
[01:05:56] Right. And I, you know, while I don't
[01:05:58] think there's anything dramatically
[01:06:00] newsworthy other than perhaps we're
[01:06:02] just holding the numbers steady,
[01:06:05] I really just hope that when we're
[01:06:07] trying to communicate to the public,
[01:06:09] it's really have to go through the
[01:06:11] media to help the public know what's
[01:06:12] going on. And maybe they would want to
[01:06:14] attend one of our meetings which are
[01:06:16] notoriously poorly attended.
[01:06:19] Other than the consultants that want
[01:06:21] to figure out how to get work with the
[01:06:22] port, I
[01:06:24] I see that as some opportunity that we
[01:06:26] could continue to try to leverage
[01:06:27] again help the public appreciate
[01:06:30] the role that we play in this
[01:06:31] community. So
[01:06:32] So that's something that I've been
[01:06:35] drilling on for a long time. One of
[01:06:37] the things that laying out there is
[01:06:40] that T30 settlement. Right. Which is
[01:06:42] an extraordinary chunk of change that
[01:06:45] I know we're not going to see it as a
[01:06:47] lump sum that we're going to spend all
[01:06:49] of a sudden, but it does give us
[01:06:51] flexibility. Like you said, the 24
[01:06:53] million surplus. But we also have that
[01:06:55] buffer in
[01:06:56] in there and I don't know is there any
[01:06:59] discussion of an allocation of some of
[01:07:01] that money for this coming year? Are
[01:07:03] we leveraging that at all? When we
[01:07:05] prepared the plan of finance that was
[01:07:08] presented on the 28th, we did factor
[01:07:11] in a certain amount of settlement
[01:07:14] money. The actual settlement was a
[01:07:16] little bit more than we had put into
[01:07:18] our analysis. So there. But we had not
[01:07:22] tag those dollars to any specific use
[01:07:25] just to uses that would normally use
[01:07:28] our general fund. I
[01:07:30] I appreciate that, you know, because,
[01:07:31] you know there's a somewhat of a
[01:07:33] tautology or we do austere
[01:07:35] austere budget and therefore we can't
[01:07:38] do as much. Right. So the question is
[01:07:40] if we really had whether it be
[01:07:42] deferred maintenance or which is
[01:07:44] always an important investment

[01:07:46] or future activities.
[01:07:49] You know, I think we have to talk
[01:07:51] about the need and then the question
[01:07:53] about what you budget for the need.
[01:07:55] That's just. I
[01:07:58] I think that's a question that I think
[01:08:00] what lies above or below the CIP is a
[01:08:02] conversation that perhaps we can
[01:08:05] further discuss. I
[01:08:07] I guess the only other thing is
[01:08:11] I just feel it's important for meet
[01:08:13] every time to this when this brings up
[01:08:15] when we see \$400,000 for a propeller.
[01:08:18] It's not an art object that we're
[01:08:20] spending this money for the point of
[01:08:22] this is twofold. One is to bring
[01:08:25] public attention to something that
[01:08:27] they would look for. What is this
[01:08:30] about the port? When we see something
[01:08:32] like this rather than some
[01:08:33] interpretive plaque? But also, I fully
[01:08:36] expect that we're going to lose Jack
[01:08:38] Perry park as part of the expansion of
[01:08:40] the Coast Guard. And I've spoken with
[01:08:43] ILW about, like, Fisherman's Terminal.
[01:08:46] We have a memorial for Fisherman's
[01:08:47] Terminal. Jack Perry park itself is a
[01:08:50] memorial to an individual, but also
[01:08:54] was intended to do more of a
[01:08:56] recognition to folks in the maritime
[01:08:58] who have lost their lives in the
[01:09:00] course of service. And so,
[01:09:02] you know, I've seen this potentially
[01:09:04] potentially seen as like a lark, and I
[01:09:07] really do see it as the propeller cost
[01:09:09] us nothing to begin with, but the idea
[01:09:12] that it would be a way to
[01:09:14] further memorialize this memorial,
[01:09:16] make sure that doesn't go away. And I
[01:09:19] see this as an opportunity to draw
[01:09:21] attention to the. We're going to be
[01:09:23] right next to T5 with the waterfront
[01:09:26] in front of us. I just see this as
[01:09:28] something that has
[01:09:29] has more of a role than it might
[01:09:31] appear if you just see a budget line
[01:09:33] item. So I feel it's important to
[01:09:35] explain that. Thank
[01:09:39] Thank you. Oh, last thing. Yes. 2%
[01:09:42] average, when
[01:09:43] when you see this kind of oscillation,
[01:09:45] is kind of a meaningless number, you
[01:09:47] know, so to say this is an average, I
[01:09:50] mean, I, I think in terms of
[01:09:51] justifying 2%, what it, what I think
[01:09:54] is the better justification is that it
[01:09:56] gives us the latitude to fluctuate.
[01:09:59] But the fact that it ends up at 2%, so
[01:10:01] we use 2% as the goal,
[01:10:04] it's kind of. That average is kind of
[01:10:07] arbitrary to me. So to see that we're
[01:10:11] setting our policy on
[01:10:12] on an average that reflects a

[01:10:14] tremendous variability
[01:10:17] doesn't really seem to be a really
[01:10:19] good rationale. Well, the 2% is to
[01:10:22] track with the growth in the maximum
[01:10:24] levy. So you preserve that
[01:10:27] 25% of the maximum as that buffer, as
[01:10:30] you say, can be tapped into
[01:10:33] for, for emergencies. I know when we,
[01:10:37] during the pandemic, we
[01:10:39] we were considering whether to raise
[01:10:42] the levy by a significant amount, but
[01:10:43] then we got the federal funding and we
[01:10:45] didn't need to. But it has in. That's.
[01:10:48] That's where the 2% comes from.
[01:10:51] The draft isn't that. But wasn't that
[01:10:53] what you said, overall, was the
[01:10:55] average over since 1990?
[01:10:58] Was that the
[01:11:00] the growth in the levy? You know, the,
[01:11:03] the rate of the levy, I thought was.
[01:11:06] Was. Yeah. At a 2% growth, wasn't that
[01:11:08] the overall average? That's what it
[01:11:10] has been now. But but overall no it
[01:11:13] and not have to go look at what the
[01:11:17] yeah right. I I thought you were
[01:11:19] taking like the peak and then
[01:11:21] averaging it over this flat period of
[01:11:23] time and with the decline. So overall
[01:11:27] that's not the so that wasn't the
[01:11:28] number that I thought it was. Never
[01:11:31] mind. Thank you.
[01:11:34] Okay, a couple of quick questions for
[01:11:35] you guys. For me on slide seven. Could
[01:11:38] we go to slide have them that's
[01:11:45] that's coming out. My question is how
[01:11:47] many of these are ongoing costs now
[01:11:50] baked into our budget and how many of
[01:11:52] them are there's roughly 20 million
[01:11:55] here, let's say in annual costs.
[01:11:58] How much of that 20 million is just a
[01:12:00] one time cost versus an ongoing new
[01:12:02] expense that we just need to
[01:12:04] most of them are new or addition.
[01:12:08] Some of them have existing like the
[01:12:10] expense portion to the capital
[01:12:11] project. We do have those
[01:12:15] almost every year or every year but
[01:12:17] this is on top of that and then same
[01:12:19] you can look at some of those new
[01:12:21] items, some of new study or new
[01:12:24] services related to the
[01:12:27] operation or
[01:12:29] or the other ones. The like the
[01:12:31] computer refresh is another example.
[01:12:33] We do have computer refresh every
[01:12:36] year, but this is the new addition
[01:12:39] because we pour some of the refresh
[01:12:43] we do some of the pieces refresh the
[01:12:46] prior years after Covid
[01:12:49] so now it's more catch up. So we
[01:12:51] expect actually to catch up in the
[01:12:53] next two, three years
[01:12:55] to get to back to the normal schedule.

[01:13:00] Okay, so I'm hearing a blend here.
[01:13:03] Some of this is let's
[01:13:05] let's take the example of the TSA exit
[01:13:08] lane staffing. Did we have to do that
[01:13:10] this year because of an extraordinary
[01:13:12] circumstance and we'll revert to a
[01:13:14] lower level later, or is this a new
[01:13:16] heightened level of TSA exit lane
[01:13:18] staffing that we're just going to have
[01:13:19] to budget for moving forward every
[01:13:21] year? I
[01:13:22] I don't know if Heidi is on the call.
[01:13:25] Can you provide a little bit more
[01:13:26] detail, Heidi? Yes,
[01:13:28] Yes, absolutely. Yes. Commissioner
[01:13:32] Heidi Papachak Director Aviation
[01:13:34] Finance and Budget with the TSA exit
[01:13:36] lane staffing, we work with our
[01:13:39] Seattle Tacoma Airline consortium
[01:13:41] partners to determine what the work
[01:13:43] plan will be every year to provide
[01:13:46] this service for
[01:13:47] for 2025. We did have an unbudgeted
[01:13:51] expense to effectuate the contract
[01:13:53] that was approved earlier this year.
[01:13:56] And for 2026 we're capturing
[01:14:00] that contract
[01:14:01] contract or the future contract work
[01:14:04] plan work which is we initially had
[01:14:06] \$3.5 million in the 2026 budget and
[01:14:10] today for
[01:14:11] for the first reading, we added an
[01:14:13] additional 1.1 million
[01:14:15] to capture what that future contract
[01:14:18] that preliminary contract work plan
[01:14:20] entails. So this is a one time
[01:14:23] addition and we'll continue to
[01:14:25] reevaluate every year in partnership
[01:14:27] with the STAC folks
[01:14:29] folks and determine what will be
[01:14:32] perhaps a ongoing funding amount. But
[01:14:36] right now we utilize the one time
[01:14:38] process to include in the budget for
[01:14:41] 2026. Hopefully
[01:14:43] Hopefully that answers your question.
[01:14:44] It does. Thank you. On
[01:14:47] On the. Oh,
[01:14:50] Oh, Wendy, I see your hand too. Go
[01:14:52] ahead. No,
[01:14:54] No, sorry. I also wanted to add that
[01:14:56] we're working with both Alaska Delta
[01:14:58] and our delegation because we continue
[01:15:01] to want to support TSA being able to
[01:15:04] staff this, not the airlines or the
[01:15:07] airport. So
[01:15:08] So our goal is to not have to use this
[01:15:11] at all in the future.
[01:15:13] Great. And I understand that we've
[01:15:16] heard from the
[01:15:18] the headquarters of TSA that they're
[01:15:20] planning to reduce our staffing
[01:15:22] significantly. Is that true?
[01:15:25] Yes, that is true. So our staffing

[01:15:28] analysis did come back with a quite a
[01:15:31] large reduction for 2026 and we are
[01:15:35] working with TSA headquarters and the
[01:15:38] delegations on that currently.
[01:15:40] Unfortunately, the shutdown has not
[01:15:43] helped us in our communication, but
[01:15:44] we'll continue to work with them and
[01:15:46] get back with you on that. Okay. All
[01:15:49] right. Second question is can you just
[01:15:51] clarify a term for me when you say
[01:15:53] bond redemption, that's a payoff of
[01:15:55] that bond amount? It's yes, recalling
[01:15:57] that bond. And okay,
[01:16:00] I want to share too that I appreciate
[01:16:02] the consideration next year in doing a
[01:16:07] deeper examination of that deferred
[01:16:09] maintenance question that I raised in
[01:16:10] the Oct. 28 meeting.
[01:16:13] I think part of the way I want to
[01:16:15] approach these questions about levy is
[01:16:20] from the perspective of what does the
[01:16:22] port need to
[01:16:23] to ask
[01:16:25] ask of the public to
[01:16:27] to pay in order to ensure that we are
[01:16:29] being, we're
[01:16:31] we're using
[01:16:33] using this the sort of wisdom of the
[01:16:36] adage that an ounce of prevention is
[01:16:38] worth a pound of cure. Right. So if we
[01:16:40] could ask a little bit more up front,
[01:16:42] but it would ensure that down the road
[01:16:43] there would be fewer larger expenses
[01:16:46] to deal with that. We're making sure
[01:16:49] that those projects that are on the
[01:16:50] cusp and may not get of paid for in
[01:16:53] this year because we didn't quite ask
[01:16:55] enough in the levy that maybe we
[01:16:57] reconsider that. And so I think as we
[01:16:59] move forward in 26, that would be part
[01:17:01] of the litmus test for me. I think
[01:17:04] that's also true with debt repayment
[01:17:06] that we should think about
[01:17:09] if we took a larger portion of the
[01:17:10] levy now, would
[01:17:12] would that allow
[01:17:14] allow us to save money in interest
[01:17:17] rates, payments or potentially
[01:17:21] demonstrating the kind of credit
[01:17:24] worthiness that we really want to be
[01:17:26] able to demonstrate for future bonds
[01:17:29] and other credit instruments.
[01:17:33] And I really need your expertise to
[01:17:36] navigate that. I'm not a finance or
[01:17:38] accounting guy. And so I think you are
[01:17:39] trying to present, you know, there's
[01:17:42] an argument both ways, and we want to
[01:17:43] make sure that we've got a cushion to
[01:17:45] support that. And then finally, I do
[01:17:47] want to go Back to Slide 25,
[01:17:49] 25, which
[01:17:53] which is the levy history slide, if I
[01:17:55] have the number right, Making

[01:17:57] Making Aubree work really quickly here
[01:18:02] as she's pulling up the red line.
[01:18:04] Nothing we do affects that, right?
[01:18:06] That's. It's the
[01:18:09] economy of the region that determines
[01:18:10] that. Essentially, it's actually the
[01:18:13] state statute that takes last year's
[01:18:15] maximum, adds 1%, adds in a factor for
[01:18:18] new construction, and roughly 2%
[01:18:21] increase each year. And so if, let's
[01:18:23] say in 2016 we decided to take a 15%
[01:18:26] increase, it wouldn't have changed the
[01:18:28] trajectory of that red line. That's
[01:18:30] just determined by state statute.
[01:18:33] So when we talk about that cushion
[01:18:35] between. What we're talking about is
[01:18:38] not that in the future we could go
[01:18:40] back and retroactively say, boy, we
[01:18:42] didn't take the maximum in 2023.
[01:18:46] We need that money now because there's
[01:18:48] been some Black
[01:18:49] Black sky event. Let's say
[01:18:52] it's too late at that point. And the.
[01:18:55] And your counter argument has been,
[01:19:00] want to make sure that the port lives
[01:19:01] within its means, isn't
[01:19:03] getting profligate with its spending,
[01:19:05] because, hey, listen, we've got this
[01:19:06] extra money. Let's just take it and
[01:19:08] spend it on something. For me, it's
[01:19:10] the sort of metaphor as a homeowner of
[01:19:12] like, I got a little extra money this
[01:19:13] year. I'm going to put it in a pool in
[01:19:14] the backyard. And then we discover
[01:19:16] that, you know, we needed that money
[01:19:18] for something else down the road, or
[01:19:19] the next time we go for a home loan,
[01:19:21] they're like, well, you spent money
[01:19:23] needlessly. And so.
[01:19:27] And I'm sympathetic to that. I'm also.
[01:19:29] It's why, returning to that question
[01:19:31] of, I
[01:19:32] I am comfortable using as much of the
[01:19:35] levy as we need in order to address
[01:19:37] these real concerns around debt
[01:19:40] maintenance, sorry, debt repayment and
[01:19:42] deferred maintenance, that
[01:19:44] that I don't think that is going to
[01:19:46] create in the commission a sense that
[01:19:48] we can just spend profligately. But
[01:19:53] I'm also, I
[01:19:55] I think you guys have put together a
[01:19:57] budget that does reflect that balance
[01:19:58] for this year. And so I am comfortable
[01:20:00] with that. I just don't want. I don't
[01:20:03] want that to be the sentiment that
[01:20:04] drives it. That you know, we're going
[01:20:06] to keep that cushion just for the sake
[01:20:08] of keeping the cushion. I think that's
[01:20:10] important as we move forward. The
[01:20:12] other thing is, you
[01:20:15] you know, I think the numbers we're
[01:20:17] talking about here, the difference

[01:20:18] between \$85 per household and \$87 per
[01:20:21] household is not really factoring into
[01:20:25] any taxpayer sentiment. Particularly
[01:20:27] if I can get up in front of taxpayers
[01:20:29] and say we are using this to ensure
[01:20:32] that our peers and infrastructure and
[01:20:36] the capacity to move goods and people
[01:20:37] around the region is
[01:20:40] resilient and efficient. That is an
[01:20:43] easy case for me to make for an extra
[01:20:45] \$2 a year. So provided we're doing it
[01:20:47] for those things, we're not. We're not
[01:20:49] installing the pool in the background
[01:20:51] backyard, but we're, you know, fixing
[01:20:53] the deck or repairing the roof. I'm
[01:20:55] perfectly comfortable with an increase
[01:20:57] if that's what's appropriate. So
[01:21:00] enough with my soliloquy here. I've
[01:21:03] got one more comment from Commissioner
[01:21:05] Cho. Well, Commissioner com has got me
[01:21:06] going on this tax levy thing again, so
[01:21:08] now I have to make. Set
[01:21:10] Set him off. No, no, no,
[01:21:13] no, no. You know, I couldn't agree
[01:21:14] more with Commissioner Calkins.
[01:21:16] You know, and you know, I totally
[01:21:19] understand the concerns that staff
[01:21:21] have around our impacts on our ratings
[01:21:25] or when it comes to underwriting. I
[01:21:27] understand that sentiment. At the same
[01:21:28] time, I believe that there are
[01:21:31] mechanisms that we can create within
[01:21:32] our organization that mitigates a
[01:21:34] against those risks. Right. The state
[01:21:36] of Washington has a rainy day fund
[01:21:38] that can only be accessed when a super
[01:21:40] majority of the legislature gives
[01:21:45] the governor the permission under
[01:21:47] certain circumstances. Right. And the
[01:21:49] reason why I think this is so
[01:21:50] important is because if you look at
[01:21:52] this slide we're looking at right now,
[01:21:54] and Elizabeth, you went over every
[01:21:56] time that we raised the levy, every
[01:21:59] time we raised the levy was in a
[01:22:01] moment of crisis, whether it was after
[01:22:03] 9 11, whether it was 0809 financial
[01:22:06] crisis, you can clearly see the
[01:22:10] exponential growth of this curve in
[01:22:12] those moments. And I foresee a time
[01:22:16] where we're in a recession or things
[01:22:17] slow down for us and we may have to
[01:22:20] consider raising the levy. But from a
[01:22:23] constituency standpoint, that's the
[01:22:25] last time. That is the worst time to
[01:22:28] be taxing people even more during a
[01:22:30] financial crisis. This is why I'm
[01:22:32] advocating for us to be prepared ahead
[01:22:36] of time. Right. And to be able to say,
[01:22:39] yeah, we're in trouble, but you know
[01:22:41] what? We've been preparing for this
[01:22:42] for the last five years. We're good.
[01:22:44] We can tap into these cash reserves

[01:22:46] and Say and
[01:22:47] and not have to, you know, if you go
[01:22:49] from the 88 million we're doing this
[01:22:51] year to 120 million the next year
[01:22:53] because we're in a financial piss, I
[01:22:55] guarantee you that will piss off
[01:22:56] people way more than if we were
[01:22:58] banking things over time. Right. And
[01:23:00] if we put the, put that excess into
[01:23:03] some sort of reserve fund, you know,
[01:23:06] rainy day fund that it's difficult for
[01:23:10] us to access unless it's under certain
[01:23:12] circumstances. I don't, you know, and
[01:23:14] because I want, I want to lean on you
[01:23:16] all to go to the rating agencies and
[01:23:18] pitch this to say, hey, is this going
[01:23:21] to still affect our rating? Right. And
[01:23:24] if the answer is no, then we should
[01:23:25] seriously consider creating some sort
[01:23:26] of a
[01:23:27] a port stabilization fund or whatever
[01:23:29] we want to call it. But I do think
[01:23:32] that we have a lot of liabilities in
[01:23:34] the upcoming, whether it's
[01:23:36] environmental mitigation, remediation
[01:23:38] work, whether it's stuff that we need
[01:23:41] to do, you
[01:23:42] you know, construction wise
[01:23:45] and, and the like. And so I would
[01:23:48] rather feel much better and I think
[01:23:50] our constituents would also feel much
[01:23:52] better if we took the long view here,
[01:23:54] prepared for the unknown and made sure
[01:23:57] that when the time comes, whether it's
[01:23:59] a recession or whatever, that we are
[01:24:02] amply prepared with some sort of
[01:24:04] stabilization fund. And so that's what
[01:24:06] I'm asking you all to look into for
[01:24:07] next year's budget that I'm not going
[01:24:09] to oppose this year's budget because
[01:24:11] we're here and I don't want to disrupt
[01:24:13] it too much, but I do. That's why I'm
[01:24:15] looking forward to your, your
[01:24:17] your analysis on the levy in all
[01:24:19] scenarios and hopefully next year we
[01:24:21] can come up with a creative mechanism
[01:24:22] for that. I appreciate all the
[01:24:24] suggestions. We will be looking at all
[01:24:26] of this. And
[01:24:28] And another comment from Commissioner
[01:24:29] Felleman while
[01:24:31] while we're talking about next year's
[01:24:33] plans. I've raised on a numerous
[01:24:36] occasions is that looking at
[01:24:38] properties that are badly
[01:24:40] underperforming or stranded assets,
[01:24:43] the potential to actually, I know it's
[01:24:45] very important to talk about selling
[01:24:47] property with the net, no net loss,
[01:24:49] policy of reinvesting
[01:24:52] and sabotage keeps on coming up. I
[01:24:54] think we have what a lease,
[01:24:56] some cruise line has a lease, they're

[01:24:58] storing lawn chairs or something in
[01:25:00] there, but it's
[01:25:02] it's a non revenue generator. And,
[01:25:06] and there's other properties that we
[01:25:08] are looking at potentially to do
[01:25:09] things with. So also the potential of
[01:25:12] Coast Guard sales for small properties
[01:25:14] that we have in their expansion, the
[01:25:17] potential potentiality of having
[01:25:20] these, you know, one time
[01:25:22] chunks of change to reinvest in other
[01:25:26] very much port specific operations. I
[01:25:29] think. I think next year might be a
[01:25:31] really good time to be looking at
[01:25:32] that. So I
[01:25:34] I just want to add it to your to do
[01:25:35] list, if you can incorporate that.
[01:25:37] Thank you. All
[01:25:39] All right. As a reminder, this comes
[01:25:42] before us again in a couple of weeks.
[01:25:44] So we're at the introduction phase.
[01:25:46] There's an opportunity for continued
[01:25:47] discussion. And as a part of that,
[01:25:49] today is a public hearing too. So I'm
[01:25:51] going to open it back up for public
[01:25:53] hearing on this item followed by any
[01:25:55] additional commissioner debate. Are
[01:25:57] there any additional
[01:26:00] additional questions from
[01:26:02] commissioners of the times? Okay.
[01:26:03] Hearing. No further questions for
[01:26:05] staff. The public hearing is open.
[01:26:07] Speakers will have two minutes each to
[01:26:09] present their testimony. Clerk Hart,
[01:26:11] do we have any signups for the budget
[01:26:13] public hearing today? We did not
[01:26:15] receive any signups either virtually
[01:26:17] or in person for the budget public
[01:26:20] hearing today. Okay. Is there anyone
[01:26:21] from the room who did not sign up for
[01:26:23] the public hearing who wishes to
[01:26:24] present testimony at this time?
[01:26:28] Okay. All
[01:26:30] All right. Is there anyone joining us
[01:26:32] virtually who has not already spoken
[01:26:34] and wishes to testify at this time?
[01:26:38] I'm not seeing any little hands or
[01:26:40] anything. Okay.
[01:26:42] Okay. Since
[01:26:46] Since I'm not seeing anyone else
[01:26:48] present wishing to testify, we'll
[01:26:49] close the public hearing and move
[01:26:51] discussion to the commission. Is there
[01:26:53] any additional discussion,
[01:26:54] Commissioners? Okay.
[01:26:56] Okay. Is there a motion to introduce
[01:26:58] resolution numbers 3839 and 3840? So
[01:27:03] moved. Second.
[01:27:05] Second. The
[01:27:07] The motion was made and seconded. Is
[01:27:10] there any discussion or debate? Debate
[01:27:11] on this item? No.
[01:27:13] No. All right.

[01:27:15] Clerk Hart, please call the roll for
[01:27:17] the vote. Commissioners, please say I
[01:27:19] or nay when your name is called. Thank
[01:27:21] you. Beginning with Commissioner Cho.
[01:27:23] Aye. As
[01:27:24] As a clarification, this is a vote on
[01:27:26] the introduction of the resolution and
[01:27:28] the levy, correct? Commissioner
[01:27:30] Pelhaman, I.
[01:27:32] I. Thank you. Commissioner Calkins?
[01:27:34] Aye. Thank you. Three ayes zero nays
[01:27:37] for this item. And with that, the
[01:27:39] motion passes. Resolutions 3839 and
[01:27:41] 3840 are introduced and we'll be back
[01:27:44] before the commission for
[01:27:45] consideration of adoption at the
[01:27:46] November 18, 2025 meeting.
[01:27:51] So we are going to take a quick five
[01:27:53] minute recess, stretch
[01:27:54] stretch break and we will be back at
[01:27:59] 1:45 for the remaining items.
[01:28:03] All right. Clerk Hart, please read the
[01:28:06] next item into the record.
[01:28:08] Executive Director Metruck will then
[01:28:10] introduce it. Thank
[01:28:12] Thank you. This IS agenda item 10B.
[01:28:15] Adoption of the 2026 marine stormwater
[01:28:18] utility rates with a 10% increase from
[01:28:21] 2025. Commissioners.
[01:28:24] Commissioners. Today's item provides
[01:28:25] an update on the marine stormwater
[01:28:28] utility and requests your
[01:28:30] consideration of the proposed 2026
[01:28:32] rate adjustment representing a 10%
[01:28:34] increase over the current year. The
[01:28:36] Utility continues to perform strongly
[01:28:38] delivering drainage and water quality
[01:28:41] improvements across key maritime
[01:28:42] facilities and advancing the
[01:28:44] implementation plan of an
[01:28:46] an updated five year strategic plan.
[01:28:48] The recommended rate adjustment
[01:28:49] endorsed by the Utility Rate Advisory
[01:28:51] Committee ensures continued investment
[01:28:54] in essential maintenance, regulatory
[01:28:56] compliance, compliance and asset
[01:28:57] rehabilitation while beginning the
[01:28:59] process of rebuilding reserves that
[01:29:00] have been eroded by inflation and
[01:29:02] prior rate limitations. Even with this
[01:29:05] proposed increase, the port's rates
[01:29:08] remain below those of the City of
[01:29:10] Seattle, allowing us to sustain a
[01:29:12] competitive position while continuing
[01:29:14] to lead in environmental stewardship
[01:29:15] and resilient maritime infrastructure.
[01:29:18] It is important to Note that the 10%
[01:29:20] rate increase reflects the balance of
[01:29:21] port approach. It required significant
[01:29:23] reductions to the five year capital
[01:29:25] program and not only will not
[01:29:28] fully restore the six month reserve
[01:29:30] target, though it sets a prudent

[01:29:31] course to rebuild those reserves over
[01:29:33] the next several years. This is a
[01:29:36] balanced approach. This proposal
[01:29:37] represents a careful equilibrium
[01:29:39] between fiscal responsibility and
[01:29:42] ratepayer sensitivity. Staff
[01:29:44] collaborated extensively across
[01:29:45] operations, finance and leadership to
[01:29:47] avoid evaluate alternatives and the
[01:29:49] resulting recommendation reflects both
[01:29:51] the necessity of reinvestment and the
[01:29:52] recognition of current economic
[01:29:54] realities. And
[01:29:56] And the presenters are this afternoon
[01:29:59] are Sarah Ojay, Director of Maritime
[01:30:01] Environment and Sustainability and
[01:30:03] Jane Doel, the Senior Manager for
[01:30:05] Stormwater Utilities. So with that
[01:30:07] I'll turn it over to Sarah to kick us
[01:30:08] off. Thank you. Well,
[01:30:11] Well, thank you Executive Metric.
[01:30:14] Great introduction. I think you hit so
[01:30:16] many of the key points and
[01:30:18] and commissioners. Hello. It's a
[01:30:20] pleasure to be here today as
[01:30:22] as we come to you as we do every fall
[01:30:24] to talk about our proposal for the
[01:30:26] coming year's stormwater utility.
[01:30:29] If you could go to the next slide,
[01:30:31] I'll hit a couple highlights for you.
[01:30:33] This year we are requesting a 10% rate
[01:30:35] increase from
[01:30:37] from our base, from our 2025 rate that
[01:30:40] is. And
[01:30:41] And it's guided by feedback from our
[01:30:43] advisory group including the Northwest
[01:30:46] Seaport alliance operations and also
[01:30:49] our Port of Seattle operations
[01:30:52] managers and financial leaders.
[01:30:55] This is going to help us meet and
[01:30:57] exceed regulatory requirements and
[01:31:00] does support maintenance and some
[01:31:03] limited capital and investments that
[01:31:05] all combined help us attain and meet
[01:31:08] the Century Agenda goals. If you can
[01:31:11] see on this slide, there's a number of
[01:31:13] criteria we consider when picking a
[01:31:15] rate and
[01:31:16] and I wanted to draw your attention to
[01:31:18] the third sub bullet there which is
[01:31:21] supporting a six month fund reserve
[01:31:23] consistent with port policy and best
[01:31:25] practices. This is a very important
[01:31:28] criteria to pay attention to to during
[01:31:30] this discussion because as the
[01:31:33] Executive Director mentioned, we have
[01:31:35] fallen behind on sustaining that
[01:31:37] reserve and really feel a need to
[01:31:39] course correct and make sure we get
[01:31:41] back on a path to maintain that
[01:31:43] reserve fund and our proposal will do
[01:31:45] that for us. Note
[01:31:47] Note for your awareness that the

[01:31:49] Seaport alliance has raised some
[01:31:52] concerns about this increase. They've
[01:31:54] asked for more input on the rate and
[01:31:55] we we plan to work with them in the
[01:31:57] coming year to look at their unique
[01:32:00] requests. So we are working with them
[01:32:03] and I think we're on a good path for
[01:32:05] collaboration in the coming year.
[01:32:08] A little background. This stormwater
[01:32:10] utility rate is collected from all the
[01:32:12] port properties. So
[01:32:14] So that includes the
[01:32:16] the alliance properties as well as the
[01:32:17] home port properties. And based on the
[01:32:20] square footage so tenants and or the
[01:32:23] alliance or ourselves pay a rate
[01:32:25] proportionate to the area and the type
[01:32:28] of use. Approximately
[01:32:29] Approximately 70% of the stormwater
[01:32:32] utility income comes from NWSA
[01:32:35] licensed properties and the remaining
[01:32:36] 30% of the revenue is collected from
[01:32:38] port and port tenant properties. And
[01:32:41] again, as the Executive Director
[01:32:43] mentioned, the City of Seattle
[01:32:45] stormwater rates are higher than our
[01:32:47] rates and
[01:32:48] and City of Seattle stormwater utility
[01:32:51] ratepayers pay on average 15% more for
[01:32:55] their stormwater utility than our port
[01:32:57] property. Port
[01:32:59] Port properties do pay.
[01:33:02] So again, this utility fund balance
[01:33:06] recently dropped below the six month
[01:33:08] target and that conflicts with our
[01:33:10] criteria. So it's very important to us
[01:33:12] that we make
[01:33:14] make this adjustment. Anything lower
[01:33:15] would raise significant concern for me
[01:33:19] that we weren't being able to maintain
[01:33:20] that reserve. I'm going to hand it
[01:33:23] over to Jane, our program manager
[01:33:24] here. One second. She's going to cover
[01:33:26] a little bit about our 2025 work for
[01:33:29] the stormwater utility, some of the
[01:33:30] financial objectives. She'll describe
[01:33:32] what's included in the 2026 budget
[01:33:35] proposal and then share with you our
[01:33:37] rate proposal in the little more
[01:33:39] detail. Thank
[01:33:40] Thank you please Jane. Thanks Sarah.
[01:33:43] Good afternoon Commissioners,
[01:33:44] Executive Director of Metric. So next
[01:33:46] slide please. Wanted
[01:33:49] Wanted to share a few of our
[01:33:50] accomplishments this year. As noted,
[01:33:53] we're working on our updated strategic
[01:33:55] plan. Our first strategic plan covered
[01:33:57] 2021 through 2025. That was the first
[01:34:00] time we developed specific goals after
[01:34:03] creating the stormwater utility and
[01:34:05] engaging in 2016. So our
[01:34:08] new plan will

[01:34:11] reflect stakeholder input that was
[01:34:13] gathered during a variety of
[01:34:14] workshops. Stakeholders were both
[01:34:16] inside and tenants to the Port and the
[01:34:20] Northwest Seaport Alliance. The
[01:34:22] strategic plan, which we hope to
[01:34:23] publish by the end of this year, will
[01:34:25] define our goals, measurable outcomes
[01:34:28] and address resiliency
[01:34:30] exceptional value for the money that
[01:34:34] we all pay into the utility
[01:34:36] sustainability and equity diversity
[01:34:38] inclusion Another
[01:34:40] Another area of work that we do
[01:34:41] regularly is our asset management and
[01:34:43] stewardship. Some of our
[01:34:45] accomplishments in the last year
[01:34:47] Include progress
[01:34:49] progress toward rehabilitating our 72
[01:34:51] miles worth of stormwater lines. We
[01:34:53] track that with our GIS mapping our
[01:34:56] camera truck and our skilled marine
[01:34:57] maintenance staff that help us both
[01:34:59] repair and also categorize the kinds
[01:35:01] of asset conditions that we have
[01:35:03] throughout our system. Some
[01:35:05] Some of our pipe repairs were
[01:35:08] completed in terminals 18, 25 and 30
[01:35:11] and terminal 46. You'll note those are
[01:35:14] all areas managed by the Northwest
[01:35:15] Seaport alliance that are heavy
[01:35:17] industrial container terminals.
[01:35:20] We also have the opportunity to focus
[01:35:22] on innovative stories stormwater
[01:35:23] treatment. And those include
[01:35:25] incorporating a system called retain
[01:35:27] drain in our parks which is a
[01:35:30] filtration system. And
[01:35:32] And also continuing to monitor the
[01:35:34] effectiveness of our oyster shell
[01:35:36] treatment barrels. And the splash box
[01:35:38] which is the bioretention in a box.
[01:35:40] The photos here show some of our pipe
[01:35:44] materials in the top picture. And then
[01:35:47] Shilsho Bay Marina, the Rain Garden.
[01:35:51] Our capital projects include we were
[01:35:54] contributing to the Terminal 891 Berth
[01:35:56] 6 and 8 project. We added some area
[01:35:59] which the stormwater utility paid for
[01:36:03] additional treatment in a capital
[01:36:05] project that was already under design
[01:36:07] so that should be completed this year.
[01:36:10] And other tenant improvements in the
[01:36:12] Maritime Industrial center which
[01:36:14] helped a tenant that has an industrial
[01:36:16] stormwater permit have some basic
[01:36:18] infrastructure that improve drainage
[01:36:20] and their ability to
[01:36:22] treat the waters at that property.
[01:36:26] Next, as
[01:36:29] as Sarah noted, we have a six month
[01:36:32] reserve as our goal and we have fallen
[01:36:35] below it this year. That is

[01:36:37] approximately \$4.5 million. We
[01:36:39] maintain that as a prudent measure.
[01:36:42] Our program is cash from revenue. So
[01:36:45] the utility fees that we collect go
[01:36:48] directly into all of our programs. And
[01:36:49] we want to continue to maintain a
[01:36:52] budget to make sure we have a high
[01:36:55] functioning stormwater system that can
[01:36:58] help improve water quality going into
[01:37:00] the regional waterways here.
[01:37:03] We also strive to maintain a stable
[01:37:06] rate over five year projections. So we
[01:37:08] analyze for five years at a time and
[01:37:11] then come and analyze
[01:37:12] analyze each year. Obviously look at
[01:37:15] the pressures and other issues
[01:37:17] happening. So I wanted to talk a
[01:37:19] little bit about some of the impacts
[01:37:21] that have led to the 10%
[01:37:23] recommendation. We've
[01:37:26] We've had some increases including our
[01:37:29] payroll increase this year
[01:37:31] at the compensation project. The
[01:37:34] was probably not fully anticipated
[01:37:36] last year when we put together our
[01:37:38] rates. And then we've also had labor
[01:37:40] agreement increases. We also pay the
[01:37:42] city's business and occupational tax
[01:37:44] which were increased from 1.8 to 2.1%.
[01:37:49] We also pay a city tax that's about
[01:37:52] 12% and that's part of our interlocal
[01:37:54] agreement with the city public
[01:37:56] utilities. And
[01:37:58] And then you know, there have been
[01:37:59] regional issues associated with
[01:38:02] tariffs and other
[01:38:04] construction increases. So those all
[01:38:06] put pressure on our stormwater
[01:38:08] utility. I
[01:38:10] I wanted to also note that we did in
[01:38:12] keeping to a 10% increase rather than
[01:38:14] something higher, we did cut back on
[01:38:16] our five year capital improvement
[01:38:18] improvement plan to ensure that we
[01:38:21] could stay at 10%.
[01:38:23] Next. So
[01:38:26] So this slide shows you our past
[01:38:29] budgets and a 2026 estimated budget
[01:38:32] based on collecting a 10% increase.
[01:38:35] So our expected revenue is a little
[01:38:37] over 9 million. You can see our
[01:38:40] expenses there. Our maintenance is
[01:38:42] about half of our overall budget. Our
[01:38:45] maintenance group, our
[01:38:46] our capital project is about 1.7
[01:38:49] million. And you can also note that
[01:38:52] our total expenses and capital is
[01:38:54] slightly greater than our income. We
[01:38:57] have the annual budget revenue.
[01:38:59] The bottom line shows the difference.
[01:39:02] And we're able to make up that deficit
[01:39:04] by using our reserves, which is what
[01:39:06] we've been doing. Next.

[01:39:10] Next. And
[01:39:13] And this last slide shows you the
[01:39:15] difference between the city of
[01:39:16] Seattle, which we used to be part of
[01:39:18] until 2014 when the Camp Commission
[01:39:21] adopted the charter to separate the
[01:39:23] marine stormwater utility from the
[01:39:25] city public utilities, and then the
[01:39:27] ports projected rates for 2026. As
[01:39:31] Sarah noted, again, the average
[01:39:33] difference is that the city is about
[01:39:35] 15% higher than the port. And the
[01:39:38] additional benefit is that we're
[01:39:39] collecting the revenues and investing
[01:39:41] directly in our assets and our other
[01:39:44] programs that support regulatory,
[01:39:45] regulatory, complex compliance and
[01:39:47] asset improvement. So
[01:39:50] So that's the end of our presentation.
[01:39:56] All right. This time, are there any
[01:39:58] questions for staff this time from
[01:39:59] commissioners? Mr.
[01:40:02] Mr. Pelham. So
[01:40:06] So if we are assuming some
[01:40:08] responsibility to make sure, as you
[01:40:10] put it, the system is functioning,
[01:40:14] does that give us any liability
[01:40:15] exposure when I know we don't hold the
[01:40:18] permit. Right. But if we're taking on.
[01:40:22] I know when we had a little problem
[01:40:24] when we were sort of
[01:40:27] concurring with a design for a
[01:40:30] stormwater system and
[01:40:32] and got sued that it was an inadequate
[01:40:35] design, do
[01:40:36] do we have any exposure if we are
[01:40:40] taking on some of this maintenance
[01:40:42] responsibility? Yeah, that's a really
[01:40:44] good question. So when we were setting
[01:40:46] up our stormwater utility and
[01:40:47] developing policies dating back to
[01:40:49] 2016, Elizabeth Black's been very
[01:40:52] involved in all of our decision
[01:40:53] making. We have a real clear line
[01:40:55] between we repair and manage basic
[01:40:58] assets, catch basins, lines for our
[01:41:01] tenants that hold industrial permits
[01:41:04] and say they they have to increase
[01:41:06] their treatment because they're not
[01:41:08] meeting the benchmarks that the state
[01:41:11] imposes. Our
[01:41:13] Our lines feed to and from and our
[01:41:15] outfalls. We're like the basic assets.
[01:41:17] We are not taking responsibility for
[01:41:19] the treatment systems that are
[01:41:21] intended to help them meet the state
[01:41:24] requirements under the permit. So
[01:41:26] we're careful about walking that line
[01:41:28] between what the utility funds and
[01:41:31] what tenants that have responsibility
[01:41:33] for best management practices,
[01:41:35] treatment systems, that sort of thing.
[01:41:38] Yeah. Does that answer your question?

[01:41:41] So it's basically after the treatment
[01:41:44] has occurred, they're just the
[01:41:45] outfall, more or less the catch basin
[01:41:47] and the outfall. Right. So into the
[01:41:51] basin, it's all the municipal permit,
[01:41:53] as it's called, the standard permit.
[01:41:55] That's our obligation. And if a tenant
[01:41:58] needs additional permit for the unique
[01:42:00] characteristics of their business,
[01:42:02] industrial uses, for example, then
[01:42:04] they would be responsible for those
[01:42:06] permit obligations. But we do repair
[01:42:08] lines going to and from, like in, you
[01:42:10] know, Terminal 5. If there are
[01:42:13] stormwater lines that are not
[01:42:14] functioning properly, like they have
[01:42:16] cracks in them, we do make repairs on
[01:42:18] those properties and we work with the
[01:42:20] alliance and the tenants in Port pull
[01:42:22] business units for, you know, creating
[01:42:25] the divisions
[01:42:26] divisions between what's our
[01:42:28] responsibility and what's the tenants.
[01:42:30] And we do have that memorialized in a
[01:42:32] variety of policies that the utility
[01:42:35] follows. Good, good. So if we're 15%
[01:42:38] or so lower than the city,
[01:42:41] what's the Alliance's concern?
[01:42:47] I don't pretend to say speak for the
[01:42:49] Alliance. I want to say that, though I
[01:42:51] have heard concerns of an increase of
[01:42:53] any sort is a concern for them and
[01:42:56] their tenants. If I could describe it
[01:42:58] so simply, more
[01:43:00] more is bad, but it's still less than
[01:43:02] it would be otherwise. I think that
[01:43:05] sometimes gets lost in communication
[01:43:06] and something we need to be better
[01:43:08] about communicating directly that, you
[01:43:10] know, we now have the ability to both
[01:43:13] analyze our own rates, decide how we
[01:43:16] invest. Prior to separating from the
[01:43:18] city, we were paying at that time
[01:43:20] about \$4 million a year. We were not
[01:43:22] getting the city's. You know, the city
[01:43:24] was not repairing our stormwater
[01:43:26] assets. So I think we need to kind of
[01:43:28] emphasize that being an independent
[01:43:31] utility, we have the control over our
[01:43:34] decisions and budget to invest
[01:43:36] directly. And I think, you know, the
[01:43:38] pressures that have been arising in
[01:43:41] the. The last year in particular, have
[01:43:42] been hard on everybody. And so I think
[01:43:44] that's been feeding some of the
[01:43:46] frustration, those twofold. I remember
[01:43:49] when we first formed the utility, it
[01:43:53] was that the money goes into fixing
[01:43:55] the infrastructure and not as much
[01:43:57] into overhead. That's. But if the
[01:43:59] actual rate is also less, so you're
[01:44:02] paying less and you're getting more. I
[01:44:04] mean, that's a very important

[01:44:05] explanation. Do you know offhand how
[01:44:07] much the
[01:44:08] the city's rate is compared to Tacoma?
[01:44:13] I don't have a comparison for the city
[01:44:15] of Tacoma and city of Seattle. Handy.
[01:44:18] Be interesting to know, I'm sure the
[01:44:19] alliance would be interested as well.
[01:44:22] All right. Thank you, Commissioner
[01:44:24] Commissioner Cho. All
[01:44:27] All right. With no further questions,
[01:44:31] is there a motion and a second to
[01:44:32] adopt item 10b? So moved.
[01:44:36] Second. The
[01:44:37] The motion was made and seconded.
[01:44:39] Commissioners, is there any further
[01:44:41] discussion or debate on this item?
[01:44:44] Clerk Hart, please call the roll for
[01:44:45] the vote. Commissioners, please say
[01:44:47] aye or nay when your name is called.
[01:44:49] Thank you. Beginning with Commissioner
[01:44:50] Cho. Aye. Thank you. Commissioner
[01:44:52] Fellman. Aye. Thank you. Commissioner
[01:44:54] Calkins. Aye. Thank you. Three eyes.
[01:44:56] Zero nays for this item. Thank you.
[01:44:59] Thank you so much. Clerkhart,
[01:45:03] Clerkhart, can you please read the
[01:45:04] next item into the record and
[01:45:06] Executive Director metric, will you
[01:45:07] then introduce it? Thank you. This is
[01:45:10] Agenda Item 10c. Introduction of the
[01:45:12] Salary and Benefits Resolution Number
[01:45:14] 3841, amending the policy directive
[01:45:16] for salary and benefits for employees
[01:45:18] not covered by a collective bargaining
[01:45:20] agreement established by resolution
[01:45:22] number 3831 and providing an effective
[01:45:25] date for all amendments as of January
[01:45:27] 1, 2026.
[01:45:31] Commissioners, this item introduces
[01:45:33] the 2026 Salary and Benefits
[01:45:34] Resolution, which updates the Port's
[01:45:37] overall framework for compensation and
[01:45:38] benefits for non represented
[01:45:40] employees. The resolution continues
[01:45:42] the Port's commitment to maintaining
[01:45:44] competitive, equitable and sustainable
[01:45:46] pay and benefit structures that align
[01:45:48] with our mission, market conditions
[01:45:50] and organization organizational
[01:45:51] values. Recommended updates Strengthen
[01:45:53] leadership compensation frameworks,
[01:45:55] refine benefit programs and enhance
[01:45:57] clarity and transparency within the
[01:45:59] policy directive. Together, these
[01:46:01] adjustments ensure the Port remains
[01:46:03] well positioned to attract and retain
[01:46:05] exceptional talent in support of
[01:46:07] operational excellence and long term
[01:46:09] strategic goals. The briefers this
[01:46:11] afternoon are Katie Gerard, the Senior
[01:46:13] Director of Human Resources and Keisha
[01:46:15] Reichstein, the Director of HR Total
[01:46:18] Rewards. So I'll turn it over to Katie

[01:46:20] to begin, I believe. Thank you. Good
[01:46:22] afternoon, commissioners and Executive
[01:46:24] Director Metric. Again, Katie Girard,
[01:46:26] the Senior Director of Human
[01:46:27] Resources. We are back again as we
[01:46:29] come back every year. Last year, of
[01:46:31] course, was the big change of
[01:46:33] redesigning the entire non represented
[01:46:35] compensation system. So this year
[01:46:38] we are making a few adjustments and
[01:46:41] using information that we've learned
[01:46:43] over this last year to make some small
[01:46:45] tweaks to the program. So I've got
[01:46:46] Keisha Reichstein here and she's going
[01:46:48] to go and walk through the slides with
[01:46:50] you today. Thank
[01:46:52] Thank you, Katie. Good afternoon,
[01:46:53] Commissioners. Next slide. Thank you.
[01:46:56] So we're here to request introduction
[01:46:57] of Resolution 3841, the 2026 Salary
[01:47:01] and Benefits resolution. So
[01:47:03] So we'll review some background
[01:47:04] information with you and the
[01:47:06] recommended changes we're requesting
[01:47:08] this year. Next
[01:47:09] Next slide, please. Salary
[01:47:12] Salary and Benefits resolution updates
[01:47:14] the salary and Benefits Policy
[01:47:16] Directive, which specifies the pay and
[01:47:18] benefits for programs for non
[01:47:21] represented employees at the Port. Per
[01:47:23] Washington rcw,
[01:47:25] it's required that the Port Commission
[01:47:27] authorizes revisions to the pay and
[01:47:29] benefit programs that are part of the
[01:47:32] Port's overall total rewards package
[01:47:34] for the non represented employees.
[01:47:37] As Katie stated, this year's changes
[01:47:39] include the regular updates to the
[01:47:41] resolution including an adjustment to
[01:47:44] the pay range structure and other
[01:47:46] recommendations. Include two new pay
[01:47:48] grades for the Port's public safety
[01:47:51] leadership positions.
[01:47:53] Next slide please. So
[01:47:57] So the pay ranges at the Port reflect
[01:47:59] the minimum and maximum amounts that
[01:48:01] the Port pays to employees whose jobs
[01:48:03] are assigned to a particular grade.
[01:48:05] The salary ranges represent what
[01:48:08] employers are paying in the market for
[01:48:10] similar work and they're reviewed
[01:48:12] annually against data from external
[01:48:15] salary budgeting surveys and the
[01:48:17] Bureau of Labor Statistics to
[01:48:19] determine if an adjustment's needed.
[01:48:22] This year we're recommending a 3.48%
[01:48:26] increase to the ranges for the non
[01:48:28] represented employees.
[01:48:30] Employees whose pay is less than the
[01:48:33] new minimum of their pay range will
[01:48:35] receive an automatic base pay increase
[01:48:37] to that new minimum of the pay range

[01:48:40] effective January 1, 2026.
[01:48:44] Unless an employee's pay is below the
[01:48:45] minimum of the pay range, they will
[01:48:47] not receive an automatic increase
[01:48:49] equal to the pay range increase.
[01:48:53] Next slide please. Shown
[01:48:56] Shown Here are the 20 grades and
[01:48:58] recommended pay ranges for the 2026
[01:49:01] Non Represented Grade salary range
[01:49:03] structure and the ranges are expressed
[01:49:06] in both hourly and annual rates.
[01:49:11] Next slide. These
[01:49:13] These are the seven pay grades and
[01:49:15] recommended pay ranges in the 2026 non
[01:49:18] representation grade salary range
[01:49:20] structure for the positions assigned
[01:49:23] as Executive leadership.
[01:49:28] Next slide. We're
[01:49:31] We're recommending a change for non
[01:49:33] represented leadership roles in the
[01:49:35] Ports, police and Fire departments.
[01:49:38] In recent years there has been a
[01:49:40] challenge to fill vacancies at the
[01:49:42] leadership levels with the
[01:49:44] implementation implementation of the
[01:49:45] 2024 salary structure. The roles
[01:49:49] including Deputy Chief of Police,
[01:49:51] Chief of Police, Assistant Fire
[01:49:54] Chief and Fire Chief were moved into
[01:49:57] the 20 grade salary range structure in
[01:50:00] the standard pay policies for non
[01:50:02] represented employees.
[01:50:04] We found that this broadened a salary
[01:50:06] compression issue between the Deputy
[01:50:09] Chiefs, Assistant Chiefs and their
[01:50:11] direct report roles that are
[01:50:12] represented by collective bargaining
[01:50:14] agreements. We
[01:50:15] We spent this year reviewing the
[01:50:17] issues and considering options that
[01:50:20] support the promotional pathways
[01:50:22] within the Port, reduce
[01:50:24] reduce or eliminate the salary
[01:50:26] compression issue now and ongoing and
[01:50:29] maintain alignment to the Port's pay
[01:50:31] for performance methodology for the
[01:50:33] non represented roles.
[01:50:36] So we're recommending to place the
[01:50:38] roles in the pay ranges shown
[01:50:40] designated as non assessed jobs. The
[01:50:43] pay ranges are based on a 10%
[01:50:46] differential to the base pay for the
[01:50:48] represented direct report roles.
[01:50:51] We'll establish a new policy for
[01:50:53] setting base pay for the incumbents
[01:50:55] and that will take effect in January
[01:50:56] of 2026.
[01:50:59] Next slide, please. We're
[01:51:03] We're recommending a change to the
[01:51:04] definition of temporary assignment.
[01:51:07] This change will be included in the
[01:51:08] salary and benefit policy directive,
[01:51:10] our pay policies and other program

[01:51:12] documentation. We feel that removing
[01:51:15] the six month maximum extension allows
[01:51:18] us to review and approve temporary
[01:51:19] assignment requests based on situation
[01:51:22] and need and remove some unnecessary
[01:51:24] administrative steps.
[01:51:27] We're recommending to include the
[01:51:29] benefit savings account within the
[01:51:31] benefits offered to employees. This is
[01:51:34] an established benefit program. It
[01:51:36] includes our flexible spending
[01:51:38] accounts, Health Savings Accounts, and
[01:51:40] lifestyle accounts. The addition
[01:51:42] ensures that the port's salary and
[01:51:44] benefits policy directive aligns to
[01:51:47] the benefits that we're providing
[01:51:48] employees. And
[01:51:50] And lastly, we are requesting
[01:51:52] authorization to
[01:51:53] to research and establish a Voluntary
[01:51:56] Employees Beneficiary Association
[01:51:59] Trust, or veba that will offer and
[01:52:02] administer a Health Reimbursement
[01:52:04] Arrangement Plan or HRA
[01:52:06] for port employees to receive
[01:52:08] reimbursement for qualified health
[01:52:10] care expenses in their retirement. The
[01:52:14] trust will be funded by employees
[01:52:16] contributing their unused accrued paid
[01:52:18] savings sick leave upon retirement.
[01:52:23] Next slide, please. We
[01:52:25] We estimate the cost to implement the
[01:52:27] 2026 pay ranges to be approximately
[01:52:30] \$33,000 based on 15 employees that
[01:52:33] will have a base pay increase to the
[01:52:35] new minimum of their salary grade
[01:52:37] range. The
[01:52:39] The cost to implement the new pay
[01:52:41] grades for police and fire leadership
[01:52:43] is estimated to be under a \$130,000.
[01:52:47] Each of the three deputy chiefs of
[01:52:49] police and two assistant fire chiefs
[01:52:52] will receive a pay adjustment with the
[01:52:54] new policy for setting pay within that
[01:52:57] new pay range. So
[01:53:00] So this completes our recommendations
[01:53:03] and requests. So we're here to answer
[01:53:05] any questions. Thank
[01:53:07] Thank you, Keisha. Commissioners,
[01:53:09] Commissioners, any questions at this
[01:53:11] time? Go
[01:53:14] Go ahead. Commissioner Feldman.
[01:53:17] So how many openings are there? Is it.
[01:53:20] It's just you're saying this would
[01:53:21] apply currently only to like three
[01:53:23] police and two fire. Was that that
[01:53:25] last slide? Currently
[01:53:27] Currently positions
[01:53:28] positions that have currently held. So
[01:53:30] yeah, if we implement the new ranges,
[01:53:32] it will be for our two chiefs. So the
[01:53:34] fire chief and chief of police and
[01:53:36] then the five other leaders,

[01:53:37] leadership roles, the deputies and
[01:53:38] assistants. Do
[01:53:40] Do we have vacancies? We do not.
[01:53:44] All right, thank you. So
[01:53:54] So moved. Second
[01:53:57] motion was made and seconded. Any
[01:53:59] further discussion or debate on
[01:54:01] Saturday, please
[01:54:04] please call the roll for the vote.
[01:54:05] Commissioners, please say aye or nay
[01:54:07] when your name is. Thank
[01:54:09] Thank you. Beginning with Commissioner
[01:54:10] Cho. Aye. Thank you, Commissioner
[01:54:12] Fellamith. Aye.
[01:54:13] Aye. Thank you. Commissioner Calkins.
[01:54:16] Aye. Thank you. Three eyes. Zero. Nice
[01:54:19] for this item. All
[01:54:20] All right. With that, the motion
[01:54:22] passes. Thank you so much.
[01:54:26] We have no presentations or staff port
[01:54:29] reports today. So with that, our
[01:54:31] business meeting agenda is concluded.
[01:54:34] Are there any closing remarks at this
[01:54:35] time or motions relating to committee
[01:54:37] referrals from commissioners? Mr.
[01:54:39] Commission Vice President, I just
[01:54:41] wanted to note just for clarity that
[01:54:43] that was on introduction. So that
[01:54:45] resolution will be back for adoption
[01:54:47] on November 18th. Thank you for the
[01:54:49] clarification, Commissioner
[01:54:51] Commissioner Cho. Yeah. Just to say
[01:54:53] happy Veterans Day to everyone within
[01:54:56] the port, including
[01:54:58] our very own executive Dr. Metruck or
[01:55:01] rear admiral. And
[01:55:03] And I think it was in your note that
[01:55:06] you had mentioned that 16% of port
[01:55:08] employees are veterans. And so that's
[01:55:11] a significant portion
[01:55:12] portion of our organization. We're
[01:55:15] very proud of that. We
[01:55:16] We obviously value our veterans
[01:55:19] tremendously, not just within our
[01:55:21] organization, but also in the bar
[01:55:22] community. And I also want to give a
[01:55:24] shout out to the military veterans at
[01:55:27] the port, MVP erg who continue to
[01:55:31] represent the veterans well within
[01:55:33] organizations. Any
[01:55:37] Any commissioner comments since it's a
[01:55:39] short meeting? I had a couple
[01:55:43] actually. So I did want to
[01:55:46] appreciate executive metrics
[01:55:48] recognition of both Veterans Day as
[01:55:51] well as Native American Heritage
[01:55:53] Month. And the
[01:55:56] the not only have we
[01:55:58] included the land recognition, we've
[01:56:01] hired a tribal
[01:56:03] tribal liaison as well as
[01:56:07] having these MOUs. And now I'm really
[01:56:10] delighted that we're going to to be

[01:56:12] helping host the NCAI National
[01:56:15] Gathering of Native Americans. So I
[01:56:16] think that really appreciate
[01:56:18] reflecting our growing support for our
[01:56:21] neighboring tribes. And
[01:56:24] And my dad was a World War II vet and
[01:56:27] my mom just turned 100 and part of
[01:56:30] going over to her house was looking at
[01:56:33] these daily correspondence between her
[01:56:36] and my dad. And it's just remarkable.
[01:56:40] I think actually my dad wrote a lot
[01:56:41] more than my mom did, but he had more
[01:56:43] time on his hands, I think. But
[01:56:45] But it's just extraordinary that this.
[01:56:48] There are very few folks left. My
[01:56:49] dad's been gone 10 years, but the fact
[01:56:52] that she still stands to recognize
[01:56:54] that and the fact that she has these
[01:56:56] archives, it was pretty extraordinary
[01:56:58] actually. So I greatly appreciate
[01:57:00] that. I had a couple of other moments
[01:57:02] to to recognize
[01:57:07] this is the time of year our killer
[01:57:09] whales show up in Puget Sound. They've
[01:57:11] been here since September.
[01:57:14] Yesterday, all three pods showed up.
[01:57:17] We have a super pod in Puget Sound,
[01:57:19] which is an extraordinary thing. The
[01:57:20] entire population of some 74
[01:57:23] individuals are here. So if you see
[01:57:24] them, that's great. You can report
[01:57:27] sightings, but don't run them over. We
[01:57:29] do have bad
[01:57:31] bad news that our most Recent calf
[01:57:35] from J64 J42 has officially not made
[01:57:39] it. A lot of times the first calf of a
[01:57:42] female is the worst likely to survive
[01:57:45] because they're full of pollution in
[01:57:48] them. And the mom dissolves her
[01:57:50] blubber to feed the calf
[01:57:53] so they get the big dose of PCBs.
[01:57:56] Fortunately, as you can see in our
[01:57:58] thing, we're spending like \$400
[01:58:00] million allocation for cleanup. A lot
[01:58:02] of this is PCBs which is the
[01:58:04] persisting chemical that our whales
[01:58:07] are most impacted by. If you go down
[01:58:10] to California, those killer whales,
[01:58:11] Bella Berry looks more like ddt. So
[01:58:14] you can see the, you are what you eat.
[01:58:16] You can see that cline in differences
[01:58:18] in distribution. So anyway, so the
[01:58:21] whales are here, here. They've been
[01:58:23] here since September. It's like two
[01:58:24] months. I'm disappointed to say there
[01:58:26] is still not a siting contract out
[01:58:29] there, despite
[01:58:30] despite the port and the Seaport
[01:58:31] Alliance's ongoing support for that
[01:58:33] work. And then finally I was really
[01:58:36] hoping that today's meeting we were
[01:58:39] going to pass
[01:58:40] pass a resolution to deal with going

[01:58:43] forward with the potential permanent
[01:58:46] protection of SEATAC park, which was
[01:58:48] a commission resolution back in
[01:58:50] October of 2024.
[01:58:52] And in that I just see that we were
[01:58:55] at that point talking about at a
[01:58:57] minimum of 55 acres of the park and
[01:59:00] that these, and
[01:59:02] and that this evaluation of how to do
[01:59:04] this was going to be done by Q1 of
[01:59:06] 2025 and that the commission would
[01:59:08] then be briefed and to provide
[01:59:12] guidance on the Commission, the
[01:59:13] executive's preferred alternative
[01:59:16] by Q3 of this year. So
[01:59:20] what I believe in its progress is
[01:59:22] occurring that there is
[01:59:25] a preferred path forward that I'm
[01:59:27] personally supportive of. But the
[01:59:29] commission has not been informed of
[01:59:32] the various aspects of it. And
[01:59:36] according to the previous resolution,
[01:59:38] we need to all be familiar with it and
[01:59:40] then to sort of give
[01:59:41] give the go ahead. And
[01:59:43] And so understanding the constraints
[01:59:46] and the goals of the King County
[01:59:49] Conservation Futures Fund, which is
[01:59:50] what my understanding is we're in
[01:59:52] looking at pursuing, there is
[01:59:54] questions as to what it does and how
[01:59:56] well it does it. So I'm hoping by next
[01:59:59] meeting the
[02:00:01] the commission staff will commission
[02:00:03] will be aware
[02:00:05] aware of the potential of doing this
[02:00:07] and, and you know, it requires that
[02:00:09] none of the land is developable
[02:00:12] and that we have, you know, market
[02:00:14] assessment of the property and that we
[02:00:16] still, you know, even if they apply
[02:00:18] for a grant, if we don't get a return
[02:00:20] that we're happy with, we're not
[02:00:21] obligated to sell it, but we've gone
[02:00:24] through all this effort to be able to
[02:00:26] have the FAA exemption, but we have to
[02:00:28] basically give SEATAC a letter that
[02:00:31] says it's available.
[02:00:33] They can't apply for a grant unless
[02:00:36] it's for sale. And so while we're not
[02:00:39] obligated to sell it, we have to at
[02:00:40] least allow them to apply for the
[02:00:42] grant. So I believe it's
[02:00:46] obligation on the Commission to be
[02:00:48] able to feel comfortable that this is
[02:00:50] a path that you would like to pursue.
[02:00:53] So I'm hoping that you guys can have a
[02:00:56] chance to be the briefed here or in
[02:00:58] public session. But I think it's a
[02:01:00] vote that we need to to be
[02:01:02] all on the same page. It's a message
[02:01:04] that gives the executive wind in his
[02:01:07] sails but also communicates to our

[02:01:08] constituents that we continue to make
[02:01:10] progress or not. Executive
[02:01:13] Executive Director Metruck Any closing
[02:01:15] comments? I
[02:01:18] I want to thank the Commission for
[02:01:19] their support
[02:01:20] support of the whole budget process
[02:01:22] that we've closely culminating next
[02:01:25] week. I appreciate all the feedback in
[02:01:27] the months of work, work that's been
[02:01:28] put in by the staff as we were talking
[02:01:30] about in order to do that, but also
[02:01:32] the commission staff as well and all
[02:01:34] of you. We've
[02:01:36] We've started talking about the budget
[02:01:37] earlier and earlier. I think that
[02:01:39] served us well in doing that and
[02:01:40] getting us to the position on the
[02:01:42] budget where
[02:01:44] where we're ready to go when we get to
[02:01:46] this point. I deeply appreciate the
[02:01:48] feedback and thoughts about
[02:01:51] the way forward as we drive towards
[02:01:53] that that meeting in March. We'll look
[02:01:56] forward into the future and
[02:01:58] participate. I
[02:02:01] I deeply appreciate the feedback on
[02:02:03] the tax levy and how we should fit
[02:02:05] that into all of our plans, our plans
[02:02:07] of finance for the future and how to
[02:02:10] accomplish what we want to accomplish
[02:02:12] within the timeframes. So I'm really
[02:02:14] thankful for that. And thanks for your
[02:02:16] notes on veterans. I think they're a
[02:02:18] great the
[02:02:20] the nation owes them a lot. So I
[02:02:21] deeply appreciate the appreciation for
[02:02:24] veterans. That's
[02:02:25] That's it. Thank you very much. All
[02:02:27] right. My only comment is to wish bon
[02:02:30] voyage to our colleague Commissioner
[02:02:31] Cho who leaves tomorrow for Belem,
[02:02:34] Brazil to represent the port and quite
[02:02:37] honestly be
[02:02:38] be a part of the sub national party
[02:02:41] from the United States that's going in
[02:02:42] spite of the lack of participation by
[02:02:43] the Trump administration in the UN
[02:02:46] Annual Environmental Conference. We
[02:02:48] really do need to carry the torch
[02:02:50] right now and make sure that the
[02:02:51] message that environmental work
[02:02:53] continues in the United States even if
[02:02:55] it's opposed by the federal
[02:02:57] government. We are beautifully a
[02:02:59] republic and we get to keep doing what
[02:03:01] we think is right even if the federal
[02:03:03] government doesn't
[02:03:04] doesn't presume so and
[02:03:07] make sure that when
[02:03:09] things change we are we've accelerated
[02:03:13] our efforts to deploy climate actions.
[02:03:16] When it's we at the national level, we

[02:03:18] can do so again. So thank you for
[02:03:19] doing that, Sam, I know it's a. That's
[02:03:22] a long trip, but.
[02:03:26] But you're an incredible ambassador
[02:03:28] for the port and for the values that
[02:03:30] we share. So hearing no further
[02:03:32] comments and having no further
[02:03:34] business, if there is no objection, we
[02:03:36] are adjourned at 22 22pM.

END OF TRANSCRIPT