

- [00:00:30] This is Commission Vice President Fred Felleman convening the regular meeting of September 9, 2026. The time now is 12:06. We're meeting in person today at the Port of Seattle Headquarter Building Commission Chambers and virtually on Microsoft Teams. Clerk Hart, please call the role of all commissioners in attendance. Thank you.
- [00:00:50] Beginning with Commissioner Cho. Present. Thank you. Commissioner Fellerman. Present.
- [00:00:57] Thank you. Commissioner Hasekawa. Present. Thank you. Commissioner Mohamed.
- [00:01:02] Thank you. And Commissioner Calkins will be joining us here shortly. We do have a quorum established. Thank you. Clerk Hart.
- [00:01:09] Moving on, I would like to note that the executive session contained in our business meeting agenda will occur at the conclusion of today's open session items, so we will recess to executive session at the end of this meeting. A motion in this regard is not needed to amend the agenda, but I will ask if there are any objections.
- [00:01:30] Hearing none, a few housekeeping items before we begin. For everyone in the meeting room, please turn off your cell phones to silent at least. For anyone participating on Microsoft Teams, please mute your speakers when not actively speaking or presenting. Please keep your cameras off unless you're a Commissioner or a member of the staff participating virtually and are actively addressing the Commission. Members of the public addressing the Commission during public comment may turn on their cameras when their name is called to speak and will then turn back off again at the conclusion of their remarks.
- [00:02:05] For anyone at the dais, please turn off your computers, speakers and silence your devices. Please also remember to address your request to speak through the chair and wait to speak until you have been recognized. You'll turn on your microphones and off as needed.
- [00:02:23] All the items noted here will ensure a smoother meeting and thank you. All votes today will be taken by the roll call method or by general consent, so it is clear for anyone participating virtually how votes are cast. Commissioners will say ay or nay when their votes are called. Names are called. We're meeting on the ancestral lands and waters of the Coast Salish people with whom we share a commitment to steward these natural resources for future generations.
- [00:02:52] This meeting is being digitally recorded and may be viewed or heard at any time on the port's website and may be rebroadcast by King county tv. Please stand and join me for the Pledge of Allegiance.
- [00:03:05] I pledge allegiance to the flag of the United States of America and to the Republic for which it stands, one nation under God, indivisible.
- [00:03:22] The first item on the business calendar today is approval of the agenda. As a reminder, if a Commissioner wishes to make a general comment for or against an item on the consent agenda. It is not necessary to pull the item for separate discussion. Rather, a commissioner may offer general supporting or opposing comments later in the meeting. Once we get to that part of the agenda, however, it is appropriate if a commissioner wants to ask a question of staff or wishes to have a dialogue on the consent agenda item, to request the item to be pulled for separate discussion at this time.
- [00:03:56] Presider, are there any items to be pulled from the consent agenda or motions to rearrange the orders of the day chair? Matt, please. I would like to request to remove item 8D from the agenda and I have some

concerns about it and I'm happy to raise them at a later point or I can share that now. So would you like to have a full discussion of it or just raise it down? I want to pull it and request a delay on this item.

[00:04:28] Okay, very good. So we'll address that when we get to that. Commissioners, the question now is on the approval of the agenda, is there a motion to approve the agenda other than number 8D as presented as amended, so moved. Second, the motion has been moved and seconded. If there are any changes, please clarify or speak now.

[00:04:51] Hearing none. The agenda has been approved as presented and amended. Next on the agenda is the executive director's report, Chief Financial Officer Chris Wismit or his. Oh, and here we are joined. And I would assume Commissioner Calkins is shortly to join us and Executive Director Metruck will provide the report.

[00:05:13] Steve, thank you. Thank you, Vice President I know it's tough. Thank you. Vice President Felman. Sorry about that.

[00:05:24] Commissioners, good afternoon. I'm providing this. We have a few multiple topics to highlight before today's meeting, so I hope you'll bear with me as a lot of things have been going on at the port. First, this past weekend, the port celebrated its 115th anniversary. On September 5, 1911, King county voters made a pretty consequential decision.

[00:05:49] They voted to create the Port of Seattle, one of the first public ports in the country. Why? The Port of Seattle was booming and the community wanted to make sure its waterfront was managed for the public good, not just private profit. Fast forward to today and that mission has taken us a long way. The port has grown into a major gateway for global trade, travel and jobs.

[00:06:09] From our fishing fleet and container ships to cruise lines and SEA airport, our work connects the region to the world and creates opportunity here at home. So as we mark 115 years, it's a good moment to recognize just how far we have come and and the generations of people that have worked here. At the port and those that have worked benefited from the port and those that helped us get here. And of course thanks to all of you who are carrying the mission forward and helping build building the port for the future. We also hope that everyone enjoyed their Labor Day weekend holiday.

[00:06:42] Labor Day recognizes the social and economic achievements American workers, which many of us benefit from even without being in a union. Unions have led the way in advocating for worker safety, wages and conditions that improve standards for everyone. Labor Day is a worthy moment to recognize those achievements in the ways we have all benefited. Labor Day is also the unofficial end of summer here in Seattle. Travel numbers are in and for Thursday Thursday for the Thursday period over the holiday, about 850,000 passengers traveled through sea, which is about the Same as in 2025.

[00:07:21] Less than 1% difference. TSEA screened about 327,000 at the Security checkpoints during the holiday weekend. The actuals were in line with the forecast Commissioners. I'm also pleased to share updates on our work exploring methanol as a maritime fuel on the maritime side, this month we completed the Pacific Northwest to Alaska and Green Methanol Feasibility Study Report, marking a major milestone for our green corridor work. The Maersk McKinney Mohler center for Zero Carbon Shipping led the study, collaborating with the Port of Seattle, Vancouver, Fraser, Port Authority, CLIA and HAITU Gen. We will share the final report with the First Movers Partners and post it on the Mayor's Center's website.

- [00:08:09] This fall and on September 23rd to the 24th, the Port of Seattle and the NWSA will host a Methanol Bunkering Readiness workshop in Seattle. The workshop convenes regional maritime and community stakeholders for a desktop exercise evaluating methanol bunkering scenarios and identifying safety, regulatory and emergency response needs. This work is funded through our EPA Clean Ports Grant, which we're excited for this important event and will strengthen our region, which will strengthen our region's readiness for this alternative maritime fuel. On the operations side, we also started piloting two food trucks at Shosholotz Bay Marina over the weekend, an extension of the Pier 69 food truck program. We will keep you informed at the end of the season how the pilot program performed, both in terms of employee and visitor satisfaction and as an economic development effort.
- [00:09:06] Shifting to more solemn news, you are all aware that there have been tragic there's been tragic gun violence incidents in downtown Seattle, including three separate shootings over the Labor Day weekend. While the incidents were not related to port operations and no port personnel were involved, one shooting incident partially occurred on our Bell Harbor property, which was then temporarily closed to pedestrian traffic. Our Port of Seattle Police Department were called and they called in and they helped support the initial response and will support the ongoing investigation which is being led by Seattle Police. We have been in touch with cruise lines and other attendants to ensure continuing that we ensure that we continue safe and efficient operations at Bell Harbor. Moving to national and local Issues Commissioners I wanted to be sure that the public is aware that late last month we sent a letter from all of you and myself to the Washington State Federal delegation sharing our concerns regarding immigration enforcement activity involving travelers at Seattle Tacoma International Airport, including reports of Federal immigration authorities detaining individuals arriving at SEA who have no criminal history.
- [00:10:18] While airline passengers have long been subject to the screening by Transportation Security Administration and U.S. customs and Border Protection, the federal government has generally refrained from immigration enforcement activities at airports, given the significant potential impact to airport security, creating public safety issues and contributing to longer passenger wait times and generally erode traveler confidence in flying. In our letter, we ask that the federal immigration enforcement agencies be required to notify the port in advance of planned enforcement activity when operationally and legally feasible, including the anticipated timing and general operational impacts. When advanced notification is not possible, provide the port prompt notification afterward in an opportunity for appropriate debriefing and establishing clear protocols to minimize unnecessary impacts on passenger flow, airport security and airport operations. We continue to work closely with the community representatives and leaders to ensure that we maintain a safe, secure, efficient and welcoming and accessible airport. Commissioners Turning to today's agenda, I'd like to highlight a few items on our consent agenda.
- [00:11:27] We have a request to add security to support employee parking operations at the airport, an agreement to provide communications infrastructure for tenant use, additional funds for our ground transportation Enhancement project, and a collective bargaining agreement for communications supervisors at the Port of Seattle Police Department for new business. We will seek your authorization to advance key projects that will move us closer towards our goal to have all homeport cruise ships connect to shore power and finally, we close our second quarter with a financial performance results as well. So Commissioners, I do have Lastly, I would like to note also solemnly that 25 years ago our nation endured an unimaginable tragedy that impacted and reshaped our communities, families and the work of public service in our Transportation

in all modes across the in all modes of transportation across the country. On September 11, 2001, nearly 3,000 lives were lost and countless more were changed in the months and years that followed. Following the attacks on Friday at the airport, our Fire Department is organizing a port service where we pause to honor the victims, the first responders who ran toward danger, the survivors who rebuilt their lives, and the families whose grief and resilience remain part of our national fabric.

[00:12:49] This day is a moment of reflection. We recognize and acknowledge that after 9 11, some communities, especially Muslim and Muslim Americans, experience prejudice, fear and backlash rooted in misunderstanding and bias. Our community has learned to anticipate these dynamics and come together quickly in support of fairness, dignity and inclusion. For us at the Port of Seattle, this anniversary is also a reminder of the role that we play in security, safety and preparedness. Our mission and the responsibility we carry as public servants has been deeply influenced by the lessons learned in the aftermath of 9 11.

[00:13:28] While we are better prepared today, and I know we are better prepared today, we're stronger in our coordination, clear in our emergency protocols, and more unified in our commitment to remain vigilant and ready to respond. We're also there's reminders for us today. The aviation incident that just happened last weekend in Miami that resulted in five deaths reminds us of the high stakes in our work at the airport, in other modes of transportation, and how important it is that we all continue to focus on safety in improving our procedures and our preparedness as an industry. So thank you for all your dedication to this work today and every day. Commissioners, that concludes my remarks.

[00:14:10] Thank you, thank you Executive Metruck for that extensive report and some serious anniversaries to acknowledge. We're now up to committee reports. Frances Cho, our Strategic Advisor, will provide us with the report. Thank you very much. Commission Vice President Fellerman, Executive Director Metruck Commissioners Francis Cho, Commission Strategic Advisor Providing today's committee reports on August 13, Commission Vice President Felleman and Commissioner Cho convened the Waterfront Industrial Lands Committee.

[00:14:42] They reviewed the Port of Seattle's Economic Development and Action Plan. The report includes analysis of the Port's real estate portfolio, economic development programs, stakeholder feedback, and both near term and long term economic, workforce and environmental goals. The Committee's co chairs recommended that a briefing on the report should be offered to their fellow commissioners. On August 18, Commissioners Cho and Mohammed convened the Aviation Committee to continue the taxi discussion from the June committee meeting, including marketing, geofencing and the multi purpose rum discussions. Then the Audit Committee, chaired by Commission Vice President Fred Fellerman, joined by Commissioner Mohammed and public member Sarah Hallstrom and met on September 4.

[00:15:28] The committee received an entrance audit report from the Office of the Washington State Auditor. The audit to be conducted will cover January 1, 2025 through December 31, 2025 and will be an accountability audit examining management use and safeguarding of public resources and evaluation of adherence to applicable state laws, regulations and policies and procedures. The committee then heard from internal Audit Director Glenn Fernandez and approved adjustments to the 2026 audit plan, approved the proposed 2027 audit budget and approved internal audit charter adjustments reflecting an update to the source of auditing standards. The committee further heard audit reports from the internal audit team and

management's responses to the audits. Audits included a performance audit for the primary fire station, continuing operations preservation project and limited contract compliance audits for 6th Rent A Car LLC and Marmot Mountain LLC.

[00:16:31] The Sustainability, Environment and Climate Committee met on September 8th with Commissioners Calkins and Felleman convening. There were two items for discussion. First, a 60% update on S Concourse expansion and a briefing on the underwater noise program. That concludes my committee report. Thank you.

[00:16:50] Thank you, Francis. Seems like we've been busy. The Commission welcomes now public comment as an important part of the public process. Comments are received and considered by the Commission in its deliberations. Before we take public comment Clerk Hart, please display the QR code to our public comment.

[00:17:08] Rules of procedure for members of the public providing public testimony, it is essential that these rules are followed. Written copies of the rules are available at the door.

[00:17:21] Just one moment, Mr. Commission Vice President.

[00:17:26] Go ahead. Just public comment. Get our timer up.

[00:17:51] That's helpful, isn't it?

[00:17:55] You got all sorts of things following. All right, that's yours.

[00:18:09] Thank you, Clark. Hart. Good afternoon. Yes, I'd be happy to do that. Our first speaker is Ron Fine.

[00:18:17] Finn. Finney. Thank you, Ron. And I'll ask you to. Would you note that Commissioner Calkins has arrived too?

[00:18:24] And Commissioner Calkins has arrived at 12:23pm thanks.

[00:18:31] Your mic is always on. And then if I could get you to go ahead and repeat your name for the record in the correct way that I did not. And your agenda item or topic related to the conduct of port business. And then I'll start the timer. Okay.

[00:18:43] Ron Finney on acl, American Cruise Lines. Thank you. Good morning. Good afternoon, Commissioners. My name is Ron Finney, President of International Longshore Warehouse Union, Local 19.

[00:18:57] ILW fights for family wages, safe working conditions and fair treatment to workers across Seattle working waterfronts. The trade and commerce that flows through this international gateway contributes billions of dollars in economic activity annually. And the ILW advocates to ensure that local working families benefit from these opportunities. In turn, American Cruise Lines is an east coast company that operates freely on our waterfronts while offering sub minimum wages, ignoring Washington's established labor standards and and pressing workers into service for long shifts and no breaks. ACL has broken promises for compensations.

[00:19:39] It's made its work to its workers, but also a commitment to Washington families who expect better of companies that call to the port of our working waterfront. And that's all I got. Thank you, Mr. Vinney. Clerk Hart, Next speaker. Yes.

[00:19:59] Our next speaker is Patrick Johnston.

[00:20:03] Hi, Patrick. Please go ahead and repeat your name for the record and your topic, and then I'll start the timer. Patrick Johnston, ACL as well. Commissioners, my name is Patrick Johnson, Labor Relations ILW Local 19. These are public waterways and public docks.

[00:20:19] And the labor standard on them is a standard working people already established on this waterfront. We are not a vendor. We are the labor that made this public port possible. That standard is wages, benefits and the safety that let a working person raise a family on this waterfront. When a company uses public peers and does not meet it, the public has a right to know.

[00:20:43] That is why we are running an area standards picket regarding American Cruise Lines. We are telling this community that ACL is operating on public docks without meeting the labor standards that prevail in this industry and in this region. The Port of Anacortes already faced that choice. They backed alongshoremen at Local 25 and stopped ACL operations on their docks. Rather than let the standard slip.

[00:21:07] We're asking this port not to make it easy to undercut what workers already paid to establish. Mark Zuckerberg's launch pad and its support vessel at Smith Cove are a different matter. That is public property. Public public docks are not a private marina. We view that call as falling within longshore jurisdiction.

[00:21:28] Line handling, setting the gangway and using shoreside crane to low provisions. The size of the boat does not move that work off this waterfront. If it uses a public dock, that jurisdiction applies. We have been on this waterfront for more than a century and we are not leaving it. We will not stand by while area standards fade and jurisdiction on these public docks is allowed to slip away.

[00:21:50] Remember who we are. Thank you, Mr. Johnson. Clerk Hart, Next speaker. Yes. Our next speaker is Chris Peeler.

[00:22:01] Chris, please go ahead and repeat your name for the record and your topic. And then I'll start the timer. Chris Peeler. Good. Good afternoon.

[00:22:09] My name is Chris Peeler. I'm on the Labor Relations committee for Local 19 here in Seattle. I want to. I have a few questions that I want to get on the record for you guys. I understand you're not going to be able to answer them, but I'd like you to think about them at all possible.

[00:22:27] Oh, I'M sorry. My topic was American Cruise Lines. I apologize. First question is, have you, the Port of Seattle Commission, seen the agreement that allows ACL to berth at a public dock in Shilsho Marina? My second question is, if you haven't seen it, are you okay with port staff leaving you out of that process?

[00:22:50] My third question is, when will we, the public, get access to that agreement? Because we'd like to see it, too.

[00:22:59] Are you, as a commission, okay with port staff attempting to control ILW Local 19's ability to engage in a peaceful informational gathering by only, quote, unquote, allowing us to do so in their chosen boxes on a public street? I want to know if you guys are okay with that.

[00:23:21] Does the commission think it's appropriate for port staff to lie and try and control Local 19 members again on a public thoroughfare? And finally, and this is a sincere question from the membership of Local 19, what

do the unelected Port of Seattle personnel do to support the ILW workforce? Because we're not sure what. Thank you for your time, and we hope we can get these answered at some point. Thank you.

[00:23:47] Thank you, Mr. Peeler. Clerk Hart. Next speaker. Will you be coming up together or separately? Together.

[00:23:56] Okay. Pete Mills and Tom Graft.

[00:24:03] You can do one or the other. You don't have to share. We're pretty good. I'll sit once. Okay.

[00:24:12] Please go ahead and state your names for the record and your topic, and then I'll start the timer. Hi, this is Pete Mills. I'm here with some comments related to Item 11A, the 2026 Financial Performance Briefing, loosely related to that. I'm Tom Graft. I'm here to speak with gratitude to the port from the Belltown community.

[00:24:36] Thank you. Please proceed. Good afternoon, Commissioners. I'm Peter Mills, a volunteer board member with Belltown United. With me is Tom, chair of the board for Belltown United.

[00:24:48] We're here to thank the Port of Seattle for its history of small but meaningful grants to the Belltown neighborhood. For more than five years, the port has supported Belltown United's economic development and tourism promotion efforts in the neighborhood. We especially acknowledge the work of Sally Del Fierro and her team in community engagement. And I understand it was her birthday just recently.

[00:25:12] Through the PORTS grants. Though the PORTS grants have only been a few thousand dollars at a time, they've allowed Belltown United to leverage these funds to promote tourism and economic development in the neighborhood. This year, we partnered with Norwegian Cruise Lines to create a corridor of murals stretching from Pier 66 up into the heart of Belltown. Next year, we plan to approach Delta and Alaska Airlines as well. So if they're listening, heads up.

[00:25:39] We can do much more with additional funding, clearly. But today we simply want to express how grateful we are for what we've received from the port. We. With your support, Belltown United has sponsored neighborhood cleanups, community programs like the Belltown Mural Fest, movie nights, busker performances, graffiti removal, community beautification projects, and more. These efforts reflect the port's own triple bottom line.

[00:26:05] They strengthen the local community, they improve the environment we share, and they advance equity for the people doing the work and people enjoying those benefits, as well as a benefit to the tourists who explore the neighborhood and the small businesses who desperately need their support. As the executive mentioned the recent gun violence there. We're a strong partner with the Port of Seattle in working towards resolution of some of these and making it more friendly, welcoming place to everyone who enjoys the neighborhood, including tourism and cruise passengers. I passed an overview of the programs for the Mural Fest, which some great photos in there. Have a look at that.

[00:26:50] You may know this week there's been. We just. Our whole point here is just to say thank you. My comments are submitted. And that concludes my comments.

[00:27:01] Thank you.

[00:27:04] Thank you, Pete. And great to see you. And then, Tom, did you have separate comments? I'm just going to be very quick. Sure.

- [00:27:10] Of course. Under two minutes, for sure. I also want to thank the port for your partnership with the community. Sally has been just an invaluable person that we can connect to and make outreach, and then she supports us. That is not normal.
- [00:27:30] Most stakeholders do not do that. And I just want to tell you I've got gratitude for. For the cooperation the port has done for the Belltown community. Your work in and around this building, the Bell Street Pier, Centennial park, is spectacular. You are probably the best property owner in our district.
- [00:27:54] You take care of your properties the best. And you cooperate with the community better than any other stakeholder in the. The community. Sally has been fabulous. I don't know how you possibly are letting her go.
- [00:28:09] And we just need someone like her to continue to engage with. And as I say, you have the gratitude of the community. Thank you.
- [00:28:20] Thank you so much. Someday. Thank you.
- [00:28:27] I think we should have stopped there.
- [00:28:31] Clerk Hart, please call the next speaker. Thank you. Our next speaker is Steve Danishock.
- [00:28:54] And then Steve, if I can get you to repeat your name for the record and your agenda item or topic related to the conduct of piercing. My name is Steve Danishek. This is item 10, pier 66, extension. I'm a resident at waterfront landings. We have a unit that used to have water view.
- [00:29:14] Now we have shore power view. We did file a claim. It was denied. But beyond that we now find that there is another extension of Pier 66 shore power. We heard this not from the port, even though we had made a claim on that specific topic, but we heard it from Ivers, Mr. Donegal, who informed some clients who we heard about.
- [00:29:44] So we got in touch with Ms. Courtney and tried to find out what was going on. Our concern obviously, are we going to lose twice as much view as we already lost? We lost \$20,000 in market value. Mr. Fillerman, he recommended that we get an appraisal. We did that, but.
- [00:30:03] So my concern is, are we going to lose twice as much? I've been told no. Ms. Courtney, we've been in touch with. But it seems that the port has a. Assumes that we're going to be getting disclosures by osmosis.
- [00:30:16] If she tells someone down here or a couple people over here, those most affected will ultimately hear and be able to protect our rights on claims.
- [00:30:27] Anyway, I do not have a response. I've asked for a response and I hope that at some point Mr. Vetric or someone in his office will be able to tell us whether the box is going up, they're going wider or in writing, please, that. That it's not going to. We've lost our view. We have a collection of containers out there that block even more of our view and we'd just like to know how much more of our view we're going to be losing.
- [00:30:57] That's it. Thank you, Mr. Danishek. Clerk Hart, next speaker. Yes, our next speaker is John Chaney.
- [00:31:08] Hi, John. Please go ahead and repeat your name for the record and your topic and then I'll start the timer.

- [00:31:19] My name is John Chaney and I'm here to comment on the port stewardship related to the property of Salmon Bay Marina, which I think is probably very maybe an interesting point in your financial discussions. My partner and I are pensioners and we have had our houseboat had been at Salmon bay Marina for 20 years. In three days, September 11th will be the anniversary of one year of the port having called us together. Port staff called us together and given us the word that we were going to be evicted. All of us, every live aboard there, 17 households, plus all the other boats that were there under covered mortgage.
- [00:32:07] You cast us into the SEA at a time when there were reduced availabilities of slips and slip values. Prices were just going up. Some people didn't make it. They abandoned their boats. Others moved other places out of Seattle.
- [00:32:26] Even though they had strong connections to being here, it was their home. You evicted them from their home. So I'm kind of concerned that you bought this marina, this private marina, and you essentially took this action to close it, this commission. It took me a long time to figure out what you did, but you apparently did didn't object to the executive director's authorization to close the marina. So that was kind of a non public action.
- [00:33:02] It was a non public comment action. It was non public engagement action by this commission. And yet this is now what's happened. We've all been evicted from there. I guess the going forward part for me.
- [00:33:17] What are you going to do with this? You paid for marina, you bought a million dollars of permits that you've allowed to expire for that marina. What a waste of public funds. And now we hear that you're doing something about planning. How can we be involved?
- [00:33:37] Thank you.
- [00:33:41] Thank you, Mr. Cheney. Clerk Hart next speaker. Yes, Our final signup today is Alex Zimmerman. Thank you.
- [00:33:51] And when you're ready, Alex, please just repeat your name for the record and your item that you're talking about today. And then I'll start the timer.
- [00:34:11] Yeah, my name Alex Zimmerman. I'm president of Stand Up America party and I will speak about agenda number eight. Yeah, it's about money for security. Money for policemen, for security, for everything. What is we have.
- [00:34:28] Yeah. For the last 25 years. So I want to explain to you. So I think you're doing something wrong. And I explained to you where you doing wrong.
- [00:34:37] When, where so last meeting policeman come to me. I sit here. Come to me right here. He told me when I don't stop and talking before meeting, he will arrest me. It's very interesting for me.
- [00:34:52] Why policemen doing this to me. They smell like a Gestapo. Why he doing this? Why? Because consul here is a Nazi Gestapo fascist map democrat.
- [00:35:05] Yeah, they make trespasses for only one man. Alex Zimmerman. Yeah, they change rules, they interrupt me trespass me. One man. One man for 110 years.
- [00:35:19] What sport exists? It's very interesting. They are crook by definition in this very primitive. To me this look like pure debilitate. And explain to you why they sold five elected without competition in civilized countries.

- [00:35:36] They cannot present here as a crime. They possibly refuse this because it's no competition for election. And this guy talking about why they're not doing nothing because they not care about this. They have absolutely power. Is this exactly what's happened?
- [00:35:53] So today 10 o' clock I come to Bureau 190 for justice police commission. You know what this means in talking about five times? What is police trespass? Me. So I cannot go to council meeting.
- [00:36:09] It's a crime right now. It is very important. So you guys, by definition not only criminal, you are bandita because you lived without competition. Viva Trump. We were new American revolution.
- [00:36:21] Stand up slave and happy cow. Thank you very much. Thank you, Mr. Zimmerman.
- [00:36:29] That concludes our signups for today. Is there anyone else present on the team's call or present in the room today who didn't sign up but who wishes to address the commission? Mr. McKisson, please take a seat and please state your full name and the topic for which you'd like to. Yeah, good morning, I'm Dan McKisson. I'm a member of ILW Local 19 and I'm a member of our international executive executive board.
- [00:36:52] I'm here to talk about item 8D. But first off I'd like to say that as a member of local Nikon, I support the statements of our officers from earlier Ad is a security contract for employee parking lots out at the airport and Local 9 president was not able to be here. He works the swing shift training security people at the airport and Local 9 LW Local 9 does the security screening for the employees and other duties out at the airport. So yeah, I agree with the pro on that that it needs to be insourced and not outsourced. On the item on the first con it talks about it be disruptive out there and you might not be able to get people hired.
- [00:37:39] Local 9 has no problems hiring people. They're really good jobs. They negotiated good jobs and they will fill those positions readily. The second one is women minority boned business enterprises that local is that Exactly. And that makes the port that.
- [00:37:56] Exactly. So you don't need to go outside to do that. And finally disruption out there and other workforces may be claiming that work. Look at Local 9 has been the security workforce out there for quite a while. So please support that.
- [00:38:10] Support Alternative 1. And I apologize the president of Local 9 couldn't be here. But thank you. Thank you, Mr. Rexison. Anyone else who wishes to address the commission?
- [00:38:26] All right. At this time I'll ask clerk Hart to please give a synopsis of any written comments that we've received.
- [00:38:34] Thank you, Mr. Commission President. Members of the commission. Executive director Matric. We received one written comment today coming from Pete Mills and Tom Graff in support of their spoken comments today. And that concludes the written comments we've Received.
- [00:38:50] Thank you, Clerk Hart. Hearing no further testimony, we'll move on in the agenda. Our next order of business is the consent agenda. Items on the consent agenda are considered routine and will be adopted by one motion. Items removed from the consent agenda will be considered separately immediately after adoption of the remaining remaining consent agenda items.
- [00:39:10] Did we in fact remove 8D? Okay. At this time, the chair will entertain a motion to approve the consent agenda items covering eight A, B, C, E, and F. So moved. Second. The motion was made and seconded.

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- [00:39:29] Commissioners, please say aye or nay when your name is called for approval of the consent agenda item beginning with Commissioner Cho. Aye. Thank you, Commissioner Fellamon. Aye. Thank you, Commissioner Hasegawa.
- [00:39:39] Aye. Thank you, Commissioner Mohammad. Aye. Thank you, Commissioner Calkins. Aye.
- [00:39:44] Thank you. Five ayes, zero nays for this item. All right. And with that, the consent agenda passes. Moving on in the agenda, we have one new business item today.
- [00:39:54] Clerk Hart, please read the item into the record. And then we'll have Executive Director Matric Intrusek and Mr. Commission President. Let's take us back to 8D. Oh, we're not. We're just pulling it, right?
- [00:40:08] We're not considering it today or are we delaying it for consideration later? That has not been stated at this time. Got it. Okay. I can go ahead and read it into the record.
- [00:40:19] Please do. If through the Commission President to Commissioner Mohammed. If there is a motion to postpone, then we need to have the main motion on the floor before that motion is in order. So just so everybody on the Commission knows, we actually had to put a motion on the floor to do something with it. Unless there is a motion to amend the agenda to remove it, which would be different.
- [00:40:41] So I'll go ahead and read that into the record. This is item 8D. Authorization for the executive director to execute a contract for security services to support employee parking operations at the north employee parking lot and three new leased parking lots known as lots A, C and M, for a total estimated cost of \$6,200,000 over five years. And request for \$700,000 to fund and maintain existing security coverage for the duration of the request for proposal process and through the contract's final extension, October 2027, for a total authorization requested of \$6,900,000.
- [00:41:20] Okay. And with that, do we need a motion and a second to consider, and then we entertain a motion to delay to a date certain. One moment. Did you have introductory comments at all, or do we just want to go straight into it? I think we should go to the procedure.
- [00:41:37] Okay. Because we're hoping to delay to a date certain. So if there is a motion to postpone to a time certain, the main motion must be on the floor First. Okay, so do I hear a motion and a second to consider the item so moved. Second.
- [00:41:52] All right, now, with it on the floor now, is there a motion to postpone to a date certain? So moved. Second. Is there any discussion on the motion to postpone due date certain? Mr. Commission by President, the next meeting date.
- [00:42:09] Thank you. Yes. Yes. Chair? Yes, please.
- [00:42:14] Commissioner. Yes, I'm happy to provide some comments. First, I'll just say that I understand the importance of this item and the importance of supporting security services. And I also understand staff is recommending Alternative 3 here, particularly for cost and operation flexibility standpoints. And at the same time, when we choose a contract, a contracted workforce rather than port employees, I want to understand what that means for the workers who will actually be doing the work every single day.
- [00:42:53] These employees will be working 24 hours a day doing security work seven days a week at our facilities. And they are providing a very important security function for thousands of people that come through our
-

airport. Airport employees. I want to understand just the labor standards that will be applied here, here, including wages, access to quality health care, affordable health care benefits, working conditions and worker protection, cost saving and flexibility is important, but I don't want those savings to come from workers receiving lower wages, inadequate health care or poor working conditions. And at this time, I would like to better understand these implications, talk to those workers who will be impacted.

[00:43:45] And I did receive significant calls that came to me today and this week about this item. And so for that reason, I'd like to delay this item. Any further debate or discussion on the agenda item on the motion to postpone hearing? None. Clerk Hart, can you please take the roll on a vote for the motion to postpone to a time certain of September 22, beginning with Commissioner Cho?

[00:44:12] Aye. Thank you. Commissioner Fellerman. Aye. Thank you, Commissioner Hasegawa.

[00:44:17] Aye. Thank you, Commissioner Mohammad. Aye. Thank you. And Commissioner Calkins.

[00:44:22] Aye. Thank you. Five ayes, zero nays for that motion. So that motion passes, and we will take that up again under unfinished business. Unfinished business on the 22nd.

[00:44:35] All right, we have one new business item for today. Clerk Hart, can you please read the item into the record? And we'll have executive director metruck introduce it. Yes, this IS Agenda Item 10A. Authorization for the executive director to execute a guaranteed maximum price contract amendment to the alternative public works progressive design build contract for the T91 Pier 66 cruise shore power extension project to complete construction of the of Pier 66 and Pier 91 East Shore Power extension systems, bollards and limited deck panel replacement and to authorize funding for a validation phase to include the rehabilitation of the section of Pier 91 delineated as Development Unit 9202 for a total requested amount of \$49,330,000 and a total project authorization of 60 \$69,980,000 and an estimated total project cost of \$116,480,000.

[00:45:37] Commissioners, this item advances the next phase of our shore power program by funding construction at Pier 66 and the east berth of Pier 91, along with validation work that prepares the west berth improvements for delivery in the fall of following season. These upgrades are essential to meeting the Commission's directive that all homeport cruise ships connect to shore power by 2027, a cornerstone of our strategy to reduce emissions, improve air quality and uphold our leadership in sustainable maritime operations. Integrating structural rehabilitation at Pier 91 with the shore power work provides a more efficient and cost effective solution, protecting the crew's operations and reducing long term capital needs significantly. The staff will outline how this two milestones approach keeps the program on track, supports the community and environmental commitments, and ensures reliable shore power across all cruise berths. Presenting this afternoon is Linda Springman, Director of Cruise Operations and Kelly Purnell, Capital Project Manager, Waterfront Projects.

[00:46:40] So Linda, Thanks Executive Director Metruck Commissioners, we're here today for the next phase of the project to provide flexibility for crew shore power, which you've heard from us from a few times already. As the project has evolved, additional elements have been identified that have allowed for integration into this project to ultimately save time and money. While the shore power project was under design and development, infrastructure issues at T91 west were identified that indicated potential use restrictions in critical areas. By integrating this into the shore power project, we get the work done earlier on the infrastructure and save costs by using an innovative repair protocol. This project is now broken into two

milestones which you'll hear about, the first of which will deliver shore power Certainty to Pier 66 and Terminal 91 east by 2027, the second of which will complete the shore power flexibility at T91 west and perform full rehabilitation of T91 west section of the dock.

[00:47:43] While you will see a cost increase in this project by combining the projects, we realize a reduction to overall CIP by combining these projects and I'll turn it over to Kelly to talk this through. Thanks, Linda. Good afternoon Commissioners and Executive Director Metric. Today we're here to Request the next phase of funding for Terminal 91 and Pier 66 cruise shore power extension projects as well as funding for the additional scope to rehabilitate the section of Pier 91 west berth dock delineated as development unit 9202 that must be integrated with the Westburg Shore Power. For clarity throughout this presentation, I will Refer to Pier 91 section of the dock that needs the rehabilitation as DU9202.

[00:48:23] That's also how it is often listed in the memo for your clarification. Next slide. Okay, we've been here a few times before, but as a reminder, our purpose for coming here is, as you've seen our previous presentations is that Commission Order 202408 was passed in July 2024 mandating all cruise ships connect to shore power by 2027. All ships cannot connect today because the shore power system cable simply cannot reach all the different points of connection on different types of ships. So this project is going to extend those cables and connection system to allow cruise ships to plug in and provide our maximum flexibility across all ship configurations.

[00:49:07] Next slide please.

[00:49:10] Okay, as Executive Director, Metruck and Linda have already said a little bit about our Structural Scope edition for Pier 91 West. Since our last Commission authorization for this project, which was in May of this year, a significant scope addition has been identified. Our latest engineering inspections have shown that the condition of Pier 91 section delineated as DU9202, which is fully within the project footprint of the Westbury Shore Power, is deteriorating at an accelerated rate. Engineering has implemented load restrictions on 12 of the most deteriorated panels, but I want to note that engineering has also done a full review of all the equipment that is currently used out there and there are no restrictions on that existing equipment, so operational impacts are not yet in place. That said, DU9202 needs to be rehabilitated without delay to avoid any operational impacts to crews and commercial fishing.

[00:50:05] So what does this mean? The project team is collaborating with their design builder Skanska to develop an innovative solution to rehabilitate pier section D9202 as these projects need to to be completed together. By integrating Pier 91 du 9202 into this progressive design build project, we're accelerating the pier rehabilitation by a year, which is a significant mitigation of any further operational impacts. This does require the Westbury Shore power to be implemented By Crew Season 2028 instead of 2027, but by combining Westburg Shore Power with DU9202 rehabilitation, it is likely to result in a net savings upon approximately \$20 million to the overall capital plan due to efficiencies and innovative design approach. Next section please.

[00:50:52] Or next slide. In this image, the area of DU9202 which includes berths H, I and J of the west berth of Pier 91 is fully within the construction area of West Berth Shore Power. And I want to note that the deterioration of the deck panels in this section of the pier is quite unique. We are not seeing the same rate of deterioration in other sections, so it's critical to address the repair now and complete these projects together, given the significant overlap and timing of these projects. Next slide so we have two action

requests today, the first being authorization for funding to execute a guaranteed maximum price contract, amendment to the Progressive Design Build contract or project 1491 Pier 60 cruise shore power Extension and to complete the Construction of Pier 66 Shore Power T91 East Shore Power bollards and limited deck panel replacement within DU9202 that needs to be done this year.

- [00:51:49] The second action is authorization of funding for the validation phase to include the rehabilitation of the section of Pier 91 dock. Rehabilitation. Next slide please.
- [00:52:02] Some details of the request. So going forward, this contract will proceed as two milestone scopes for which separate GMPs will be negotiated. In this slide, the lettered milestone lists correspond with the following two slides that show the location and scale of each scope, which I will go over shortly. In Milestone 1, which is the bulk of today's request, it includes the construction funding for the scope that I've already defined. I won't go over that again and it also will be completed by Crew Season 2027 as originally planned.
- [00:52:33] Milestone 2 includes the completion of Pier 91 Westburg Shore Power and the full rehabilitation of DU9202, except for the pieces that we need to do this year. Today's request includes validation, rehabilitation funding and funding authorizations for the full gmp, which we fully negotiated and agreed to with Skanska. That number will not change at this time. GMP development and final GMP for Milestone 2 will be requested in future Commission authorizations. Next slide please.
- [00:53:05] This is the extent of the Pier 66 Cruise Shore Power Extension Project which will install one new sawtooth box for shore power connection at Footmark 352 which is just north of the Bertha Gangway. I want to note that this is the short the sawtooth box will be installed behind the terminal building and cannot be seen from the street. This project will not add any visual impact to the surface of the Pier as all equipment will be installed below the pier and in existing electrical cabinets on the south end of the pier. Next slide please.
- [00:53:37] The extent of Milestone 1 scope is shown in orange in items B and C of this slide. Item C includes limited deck panel replacement and bull rail repair as part of D9202 that needs to be done this year.
- [00:53:51] And the extent of Milestone 2 is shown in blue and includes the location of shore power pathway in item D and the full rehabilitation of DU9202 in Item E. Next slide please.
- [00:54:06] Okay. Our current request for funding is \$49,330,000 and as you can see, the bifurcation of the scope and addition of DU9202 has added a significant cost to the overall progressive design build project. However, I want to reiterate that this is not additional cost to our capital plan. The budget for DU9202 has been reallocated from another capital project and through our collaboration with our design builder to integrate this critical repair with the overlapping shore power project, it will both accelerate the peer rehabilitation and result in a net savings capital plan. Next slide please.
- [00:54:42] We've all seen this table before, so I'll try to keep it brief. But I will highlight that the project continues to have a significant risk associated with the work, primarily due to a very constrained and aggressive schedule. We have mitigated much of the scheduled risk by utilizing progressive design build alternative project delivery and Skanska has been a good partner to date in maintaining our scheduled milestones. That said, the schedule does remain a risk and electrical projects in particular are being impacted by supply chain constraints, especially due to competition from data center demand on electrical equipment. We have worked with Watts Marine and Skanska to mitigate this increasing risk through early owner

furnished equipment procurement and some precast deck panel.

[00:55:24] Oh, I'm sorry. And our mini GMP for early work that we did in April or May. Excuse me. To procure our electrical cable and some precast deck panels in advance. We're also continuing to work with SCL to collaboratively develop a long term plan at T91 with our service agreements there.

[00:55:43] Next slide please.

[00:55:46] Okay. Our cone of certainty. As you can see, our milestone one has progressed all the way up to construction. So that's what we're here for today with most of our requests and is for our final GMP to start construction which will begin in late October and go through the entirety of the winter to be ready for crew season of 2027. I have added the second milestone to this cone of certainty.

[00:56:11] So you can see in milestone two, we are way back in our validation phase. So pre 30%. So that one will be moving on a parallel path that's a little bit offset, of course, and will have its own GMP development and negotiations as we go through this process for completion in 2028. Next slide.

[00:56:37] Just the next steps in this slide. Like I said, we're going to be starting construction here likely in late October so that we can finish most of the original scope by 2027. We've been able to maintain that schedule, which has been very good with our partners. Our next steps will be a milestone two validation and GMP development, which will run through Q4 2026 through Q3 of 2027. We will be back in a couple of months for Our Post validation GMP development funding request, Milestone 2 Commission authorization for that final design and construction of Milestone 2 in Q3 of 2027.

[00:57:15] So a very similar similar timeline as this first milestone and then construction of that last scope in Q4 2027 through Q2 of 2028. Next slide, please. That's it. You have questions.

[00:57:33] All right, Commissioners, are there any questions for staff at this time? Commissioner Cho and then Commissioner Feldman, thanks for your presentation. I think you addressed the question that I had, which was in response to the constituent that was in here earlier talking about any potential for the obstruction of waterfront views to the gentleman's property. And so it sounds like because the box is being put when you look at the diagram, it looks like it's being on the water side, towards the water, it won't. And underneath the pier won't be obstructing any further views of the residents.

[00:58:12] Is that correct? Yes, that is correct. So the only thing that's going to be above ground for this next phase of Pier 66 is the Sawtooth box. It'll look very similar to the one that's already out there that we installed the last time, however, will be tucked behind the cruise terminal building and will not be able to be seen from any of the properties across Alaskan Way. So as the previous box was what this gentleman was referring to, I just think he's probably referring to the electrical cabinets on the south end of the pier, which are larger.

[00:58:41] We are not going to be adding any infrastructure above ground like that for this project. We're going to be utilizing that existing cabinetry. And despite the fact that this next phase of the project won't be obstructing any more view, planning to do an outreach to the residents to ensure that they're informed that there won't be any more objection to their views. I think it'd just be good practice to let them know. And, you know, the gentleman claimed that he was not notified by us that that was going to happen.

[00:59:09] I don't know if there's any truth to that, but I guess this is a good opportunity for you to clarify. If we did

notify anybody, do you want to say? Yeah, I'll chime in. We will triple check that we are making the community notifications. We understand there has been notifications made, but it might have been crossed over with the timing he inferred.

[00:59:27] So we'll make sure that the neighbors, the hotels and everything in the vicinity are aware of the plans and the timing on that and that the work will be done over the winter. Great. Thank you, Commissioner Felman.

[00:59:42] Thank you.

[00:59:45] There's a lot going on here, and we appreciate the fact that we're trying to preserve our goals here. This is the only item on the agenda, action agenda. Right. So I hope other folks have questions and that we can delve in. I have not been able to get into the level of detail that I would like to, but there are some questions that I have.

[01:00:08] The schedule risk is pretty high. It definitely seems like we're really betting on everything going right. And I do appreciate at the same time, you are fully aware of that and you're taking steps to mitigate it. But, you know, if T5 was any example of unexpected things happening, we know now you are using Watts Marine for the sole source contract for this. Correct.

[01:00:33] We are for both operations for 66 and T91. Correct. And they seem to be the ones that get it right. So. So that's a good sign.

[01:00:43] And the, you know, one of the things that just always strikes me is the, this is a large chunk of change. Right. And takes money to make money and all that good stuff. But, you know, I've always thought that when we talk about the profitability of cruise profitability, you know, what is the net gain? We often have, like, the season CIP over here and the revenues over there, and we never really talk about the net.

[01:01:13] I assume, you know, cruise will always be net positive. But, you know, this is \$116 million. And I think we talked about something like \$50 million was sort of like what we were hoping cruise annually generates. And I'm not even sure if that accounts for. For all the inputs that we.

[01:01:35] Fendering new gangways. It seems like every year water lines, I mean, it takes money to keep ships Little cities afloat. So I don't deny that, but I just always wanted to be able to have as realistic. What do we consider at the Seaport alliance? We say 4.5% return on investment.

[01:01:56] Right. It's. I think the numbers pulled out of the air a little bit. But you know, what is our goal? What do we know, what do we consider a profitable operation?

[01:02:06] Do we have any idea like do we have such a kind of concept?

[01:02:12] I may have to lean on our CFO who stepped back from the table a little bit to get to that. I will say that in at the preliminary budget for next year for 2020 net of terminal operations, which is CTA at Pier 66 and Pacific Cruise Ship Terminal Cruise is bringing in before the four staff that operate this \$62 million. And I know this is much more than that, but that is far and away the most amount of money we put into this infrastructure. So I think if we do like a five year spend versus revenue, I think it will be very reasonable. To your point though, we should have that number netted out for you.

[01:02:53] So we'll do that. And to your point that, you know, this is not an annual expense, but we do amortize it or depreciate over time. And so it would just be a good idea. Just like. So if we look at a future contract, what

do we consider profitable?

- [01:03:07] I would just like to know what is the litmus test that we're going to use. I would assume we're happy with this operation. If this is what we consider good. I kind of want to know what good is. Right, sure.
- [01:03:19] And to your point on the gangways, the last gang that we purchased the gangways very recently. The last time gangways were purchased for 91 was 15 years ago. So we have to look at a broad view on that. Exactly. And like I have no doubt that it's positive.
- [01:03:33] Right. But how positive is my only question. And the lifespan for these assets are long and. And preserving the dock is not just good for crews. So I mean I acknowledge the fact that there's.
- [01:03:45] You got to maintain your assets. Did you have something you want to say? Yeah, I just. Thanks Commissioner. You mentioned.
- [01:03:51] I just want to add to that discussion. It's for the long period of time and we can look at that to look at those investments. We know that I just reviewed and with the cfo, I just reviewed our long range and cruise is the most profitable of all of our business lines. In order to do that and it's actually paying for a lot of what else we're doing here. So it does pay for both the capital costs and the cost to do that.
- [01:04:19] But we can come up with. We can have that for you to give you that. More specifics on how that all works out. Thank you. And I think the budgeting process is one of the things we found was that because the infrastructure purchases are paid for over here and the revenues are over there, we don't regularly look at the net.
- [01:04:39] Just a couple more things here.
- [01:04:46] The point. Big sigh. The point that I was really kind of committed to wanting to hear that the goal was 2027 and. And we made that clear to the cruise lines. And so I'm assuming that.
- [01:05:03] But I don't see a requirement that only 20 only shore power capable ships will be calling on the. On the docks come 2027. And I'm sure they've already defined their deployments. Right. They have to already be selling these.
- [01:05:16] They are selling 27, they're selling 28. And we're starting to get requests for 29. So they're publishing two years out. And the ships that are going committed to Seattle from 27 on are shore power capable. They could plug in if our infrastructure were there.
- [01:05:29] And do we have a tariff requirement for that? We did add it to the tariff, but I'll double check that for you because I mean we can confirm what those ships are capable of. But things change and all that sort of stuff. But I just think that the spirit of a requirement should be retained and. But the fact that we have all of our terminals working I think eventually is a good thing.
- [01:05:55] So I think before.
- [01:05:59] And I really am concerned about the schedule though it looks like we haven't even begun tribal negotiations and we're going to do this through a fish opening. We have begun tribal negotiations. We have concurrence on the 66 and we are confident that we'll have concurrence on 91. We are not in water doing in water work with that. We are simply above it with like a skiff.

- [01:06:25] And so we're. We've had. We've had good conversations with them so far. So those pilings are not being replaced. So it's really all above deck.
- [01:06:33] Correct. That's great. All right, I think that'll. Annette, cover me. I do want to give Chris an opportunity to respond to your specific question about how we determine the financial viability of the cruise business.
- [01:06:45] Thanks, Chris. Sure. In general, I think the financial viability or the profit determination wouldn't be different from what I think we would expect. It would Be. First of all, does it recover its operating expenses?
- [01:06:56] Does it recover its share of depreciation? And then also, does the investment on an ROI basis give us a return that's comparable to what we would have gotten had we invested the cash? That would be kind of the litmus test that I would take to see is the return better than what we would have gotten if we'd just taken that money and put it in our investment portfolio. And. Thank you.
- [01:07:15] And all I'm saying, I appreciate that. It's pretty straight up. And. And I just want to be clear, though, that I think, you know, being even neutral, I mean, we're generating all sorts of economic stimulus, right? So, I mean, we're not in the profit making business.
- [01:07:30] So I don't want this to be seen as like, we have to make the 4.5 return. I think it's important that we kind of set goals, but the job here is to make jobs. So I just want to make sure you understand my motivation. But I think having clear visibility is what I'm asking for. Thank you.
- [01:07:49] Thank you, Commissioner Hassegal. Thank you for the presentation. I am just watching, wondering what the implications are for the workforce. This Yulong project is coming at a time. I don't know what that background noise is.
- [01:08:08] Whatever. The project is coming at a time where, you know, a lot of electricians are on the bench right now looking for work life. Just wondering if you could frame this in the context of jobs. Sure. This project does have a plaque that we are implementing and a wimpy goal of 6%.
- [01:08:28] So our contractor, Skanska has already started to execute their subcontracts and have done their best to meet the goals that we have and to work within the pla.
- [01:08:42] Commissioner Mohamed, thank you. I just had a quick question about. Have we just. Did we pursue any sort of federal funds for this particular project? We did not.
- [01:08:53] Well, is there a reason why we didn't. Let me go back with that. We may have done some grant outreach on this, but I don't believe we got any federal grants for. We did not get any federal grants for this, but I believe they did explore that option.
- [01:09:08] So we did explore the option of federal funds, state funds as well, about street funds. We are still trying to work on a Grant for Pier 66 with WSDAT, but that is the only one that we were successful in pursuing from my understanding. Do you know what the dollar amount for that? A million. Say it again.
- [01:09:27] One million. A million. Okay. So it's not for this. Yeah.
- [01:09:32] I mean, obviously I support our shore power mandate that we put in place accelerating, but these numbers are really big and for me, I am concerned about the timing and the budget constraints that we're already dealing with, but do appreciate the work and it coming forward. Thanks for the time, Chair.

- [01:09:55] So I would like us to put this on the table and then we can do one more round of comments and debate. So hearing no further questions, is there a motion. Motion and a second to approve the item?
- [01:10:13] So moved. Second. All right. The motion was made and seconded. Is there any further discussion or debate on this item?
- [01:10:21] Commissioner Felton, I believe you mentioned that there was going to be something in the CIP that you were delaying as a result to keep the CIP constant. No, it is not delaying it. So we had another CIP project for the first full dock rehabilitation project. We have pulled that particular scope out to do this with the shore power because of the overlap and the timing and the location of it, which actually because of what we're doing with the progressive design build contract, saves us 20 million on that project. Okay.
- [01:10:50] So even though we're front loading the money, I know the net is benefit, but we weren't expecting to spend this this year. They are in design right now for the dock we have. So they're both going to. Yeah. Okay.
- [01:11:05] And so there was just one calculation here that in terms of the greenhouse gas emissions, like what would have it. What it would have been had we been 100% versus what we expected with the something like three ships. Two ships. Two ships that are making 20 to 25 calls. Around 25 calls.
- [01:11:23] So yeah, 50 calls. 50 calls out of the 300. Three hundred and twenty seven. I think that's an important framing. I mean it is disappointing, but it's by far not the majority.
- [01:11:40] And so I guess the delta of, you know, so how much gas are we not saving? I think there was some. I just think in terms of reflecting on the goal of the environmental policy goal to be able to save, say. Well, we're falling short, but it's not as short as it might be seen given how much money we're spending. But thank you.
- [01:12:03] I just wanted to clarify and I in my briefing on this, I think the trade off between a little bit of short term pain for a lot more long term gain is well worth the trade off. So I think that's echoing what Commissioner Felleman said. My only thought on this is I think this is a perfect example of the port's commitment to its triple bottom line that if we were simply making an economic decision here. This project doesn't make sense. It doesn't pencil out from a.
- [01:12:32] We're going to collect a certain amount of revenue over and above what we would have collected because we put this system in. Rather, it is a recognition that there are social and environmental benefits to this that while expensive, are absolutely critical to sustaining a cruise industry here in Seattle based on the demands of our community and constituents and our commitment to an industry to being at the very forefront of social and environmental considerations and how we handle our participation in the cruise industry. So with that in mind and in spite of the the cost, I'm certainly going to support this. So are there any further comments? All right.
- [01:13:17] I just hope that we're going to have the tariff item. I mean, that's something that. I mean, they say they're committed to doing it, but I want to see that we have shore power requirement in the tariff. I'll get that to you, absolutely. Thank you.
- [01:13:32] And I just want to give credit to the project management team who came up with this innovative solution to combine these projects to get it done quicker and at a better cost for the port. So great job on that. And the construction management team, very instrumental. Commissioner Mohamed, did you have another

thought? No, I was just going to say I heard Commissioner Felloman say that he felt like he didn't have enough time to dig into this item.

[01:13:55] So I just wanted to make sure that I think we covered you have your answers. Okay, great. All right. With that said, clerk Hart, can you please call the roll for the vote? Vote.

[01:14:03] Commissioners, please say aye and a when your name is called beginning with commissioner cho aye. Thank you, Commissioner Fellan. Aye. Thank you, Commissioner Hosagawa. Aye.

[01:14:14] Thank you, Commissioner Muhammad. Aye. Thank you, Commissioner Calkins. Aye. Thank you.

[01:14:20] Five ayes zero nays for this item. And with that, the motion passes. All right, we are now at presentations and staff reports. Clerk, can you please read the next item into the record? We'll have executive director metruck introduce the item.

[01:14:34] Thank you. And before I read the item into the record, Commissioner Hasegawa, I do believe that that's your mic and we'll have that checked after this meeting. So this IS Agenda Item 11A Quarter 22026 Financial Performance Briefing Commissioners. This presentation is in the first in the A series of budget presentations occurring over the next couple of months leading up to the adoption of our 2027 budget. Today's presentation provides a status report on the port's second quarter financial performance.

[01:15:07] While we continue to see consistent demand. I'll just kind of give a bottom line up front, while we continue to see a consistent demand for the port services, we have noted recently that a lower rate of growth in revenue than we have been accustomed to, especially in recent years, and this rate of expense growth that continues to out and the rate of expense growth that continues to outpace that revenue growth. So. And that's something that our cfo Chris Wimsham will be discussing. So the divisions and departments are making with this in mind.

[01:15:39] Our divisions and departments are making real time adjustments this year as we plan for the budget development for 2027, especially through a sustained effort to manage expenses and generate new revenue opportunities both here in 26 and 27. Perhaps, as you know, the most difficult decision we made this year was to eliminate positions in the third quarter. We notified 17 employees in aviation and central services that we were eliminating their position and we also eliminated approximately 60 unfilled positions. The eliminated filled and unfilled positions primarily closely tied to the active number of aviation capital programs that were ongoing. The goals for today and in the 2027 budget development are to increase the margin between revenue and expenses with the ultimate aim of increasing our future capital capacity and continuing to make transformative investments that advance our mission and values for decades to come.

[01:16:36] Steph will outline the results of the second quarter in more detail and discuss how mid year performance aligns with our broader financial look. The presenters this afternoon are Chris Wimsad, the Chief Financial Officer, Michael Tong, Director of Corporate Budget. I see V is here as well. Is that. Yes, V. Donnelly is here.

[01:16:56] She'll be briefing us on the aviation financial update. And Kelly Zupan is also here to talk to us about the maritime second quarter update. And Heidi Popichock is joining us virtually I believe as well for any questions that may pop up on the aviation presentation. So I'll get us started. Good afternoon, Commissioner is Chris Wimsett, Chief Financial Officer.

- [01:17:15] Happy to be here with you today. So, as Executive Director Metruck mentioned through the second quarter, we continued to see kind of a mixed bag of results across our businesses. Our revenue growth continues, which is encouraging, but the margins remained under pressure as a result of that expense growth that outpaces revenue growth. So if we can continue to the next slide, these are the key economic indicators, four of the several key economic indicators that the team keeps a close eye on as we look at the environment, put together a budget and continue to make decisions about 2026 expenses as we move forward. So the GDP growth rate is.
- [01:17:54] It's a positive growth rate and actually the most recent revisions on a national level have been upward. And so what we're seeing is that GDP growth is not necessarily moderating. And as we look to the past, we see those revisions actually saying that previous growth may have been higher than we previously thought. But the growth rate of the economy is still below on a national level and certainly at a local level, still below the rate of inflation. And that's challenging.
- [01:18:21] If the economy doesn't grow at the rate of inflation, real growth is either flat or negative. And that's something that we need to keep a close eye on. The unemployment rate on the national level has actually never really in recent memory been of concern. This could be due to larger economic dislocation caused by the changing nature of work. But one kind of encouraging sign has been the convergence of the local rate of unemployment, which historically has been slightly higher than the national average, with the national average.
- [01:18:50] So we do see these rates drawing closer together. Through July, consumer confidence remained lower than it had been in the prior year. This is likely the result of ongoing concerns about geopolitical tensions, certainly about inflation. One unfortunate fact of inflation is that oftentimes systemic inflation becomes a self fulfilling prophecy. And expectations of inflation can create expectations of further inflation which will drive down consumer confidence even more.
- [01:19:21] And then CPI consumer price index in the Seattle area remains elevated relative to the historic norm as well as elevated relative to the national level. So if we can move to the next slide, our port fiscal health indicators, kind of these are telling a similar story that that they've told to us over the last several months. The two indicators at the top are financial operations indicators. And so on the top left we see day's cash on hand. This is a measure of liquidity.
- [01:19:53] This is something that ratings agencies and investors want to see to verify that we have a substantial cash cushion to absorb shocks. The most recent example of a cash cushion being needed to absorb a shock was in. And so many organizations, the Port of Seattle included, responded to that by deciding to build a more substantial cash cushion. While we have drifted lower in the number of days cash on hand over recent months, that is not a cause for concern. There's always seasonality in the amount of cash that we have on hand.
- [01:20:27] Part of that is a function of when bond payments are due. And so we still forecast to be at or above our targets by the year end. Our cash conversion cycle, which is the chart on the top right, is the measure of time it takes to convert a receivable into cash. This has, we have always performed very well on this measure, but it is an important measure to ensure that we're able to collect on what's owed to us. And could be a leading indicator of economic challenge if people found it increasingly difficult to pay their bills.

- [01:20:55] But we're in good shape on the cash conversion cycle. The bottom two measures are speak to this, speak to the structural imbalance that Executive Director Metruck talked about when he mentioned the growth of expenses outpacing the growth of revenues. So operating cash flow margin is a simple math problem that takes our net operating income and divides it by our total operating revenues. And our operating cash flow margin is below our target. It is substantial, substantially lower than it's been over the last 10 years.
- [01:21:31] Though over the last several months we have started to see it move sideways rather than down. And that's a good measure. Ultimately, downward movement makes this chart red. Sideways movement will eventually result in changing this chart to yellow, a cautionary indicator as opposed to a negative indicator. And as it starts to recover and move up and to the right, that will be a sign that our margins are increasing and that.
- [01:21:56] And that we're making progress on our effort to align our expenses and our revenues and reposition ourselves financially. The free or net cash flow margin is on the bottom right. This is a more complicated measure that is more prone to cash flow cycles. And so we're below our target there. We're below the historical mean.
- [01:22:18] But I think the really informative margin measure here is really the operating cash flow margin. And what we see is that we haven't gotten materially worse than the first quarter, but we haven't materially improved. And so that's the focus of our efforts as we look into the 2027 budget, certainly, but also as we look to the rest of the year to make decisions about to make decisions to make financial decisions so we can move to the next slide. Key financial highlights. There are some positive things to look at.
- [01:22:54] So total operating revenues were \$1.6 million above the revised budget year to date through the second quarter and \$29 million, or 5.6% above the second quarter of last year, total operating expenses were below budget by about 3.9%, but they are 10.7% up year over year. And so that's a 5.6% increase in revenue to a 10.7 increase in expenses. That's kind of the crux of the issue. There are some seasonal factors, some timing issues in there, and we'll address those in the next slide, which we can go ahead and jump to the key financial highlights for the year end forecast. We see total operating revenues are projected to finish above the revised budget and will be are forecasted to be up 2.2% year over year on a full year basis.
- [01:23:52] Now that growth rate is actually understated because there were some operating revenues last year that were one time revenues related to the Terminal 30 settlement. That notwithstanding that settlement, the growth rate for 2026 would have been higher. Total operating expenses for the end of the year are forecasted to be above the Revised budget and 12.9% growth rate year over year. So again 2.2% to 12.9%. But if we exclude some of those one time timing factors including a \$26 million pension credit, a 20 almost \$22 million legal settlement credit, the total operating expenses are forecasted to be up only 5.4%.
- [01:24:35] So the delta is much smaller when we take out some of those one time factors. And total capital spending is projected to be right in line with the 2026 budget. So we can move to the next slide. Key takeaways from, you know, from my perspective are growth, while modest, remains positive. Unbudgeted and under budgeted items continue to be a potential source of of variance in our returns and it's something that we're going to continue to keep a close eye on.
- [01:25:04] And our payroll budget is an area of focus as a result of decreased charges to capital, which is what's

driving the overage in overall 2026 budget forecasted at year end. So both year over year and variance to budget. The payroll is certainly a source of focus if we move to the next slide. This is port wide year to date operating expense summary. We can see the payroll variance in the top two items.

[01:25:33] Salaries and benefits and wages and benefits. Both are up year over year and both have an unfavorable budget variance year to date. Other than that, there are a lot of timing factors at work. Certainly in outside services we're \$14.2 million under budget. But that's mostly due to timing and as well as equipment expenses we can move to the next slide.

[01:26:02] So this is the port wide financial summary. This shows numerically kind of what I just covered verbally in terms of where the end of year forecast is expected to be relative to budget and relative to the prior year.

[01:26:19] So can jump to the next slide. This shows not just operating expenses and revenues, but this also layers in many of the significant sources of non operating revenue and expense. So we see the tax levy here. Passenger facility charge which is levied on is a \$4.50 per leg each way charge levied on airport passengers who Buy tickets. The customer facility charge is levied on rental car passengers.

[01:26:45] We see significant variance in these charges year to date. Most of that variance is due to timing because we would only really expect to see major variance in those items with significant shifts in passenger traffic, which we haven't seen. We've seen modest growth. The other item I'll note on revenues, the non operating revenues are interest income. Our treasury team, as we've discussed several times in the past, does invest our cash balances with pretty rigorous.

[01:27:11] Through a pretty rigorous process and in line with our investment of objectives and investment policy. And we are substantially above both budget and prior year to date on interest income.

[01:27:25] And so we can go to the next slide. This is a graphical representation of portwide capital spending. And as we can see, total portwide capital spending is in line with the budget for 2026 at the end of the year. So with that, if there are no questions on the port wide overview, I'll pass it to V. Donnelly and Heidi Popichok who I believe is on the line as well, who can take us through the Aviation division update. We do have a question real quick, Chris.

[01:27:55] If we can go back to.

[01:27:58] I don't know what to call this slide, but the ones where you showed the net operating year over year. If we just go back, I'll tell you which side we're.

[01:28:10] I think. Oh no, can we go forward one more forward? Forward as in. Yeah, one more.

[01:28:27] Slightly. When I say forward I mean like let's go into this floor, not back.

[01:28:33] Yeah. So if we could.

[01:28:38] I think it's slide four.

[01:28:43] Okay. So one thing that you mentioned that I think is worth noting is the fact that we had a huge lump sum payment last year for the T30 settlement. And therefore our year over year growth in revenue is a little distorted because it accounts for the. It was probably around \$40 million that we got from SSA and Metsn at the same time I think there was a pretty substantial increase in operating expenses if you pick up for the pension. And the other thing you mentioned is a 5% increase.

- [01:29:16] 5.4. Yeah. 5.4% increase. What I didn't see in your slide was if you compensate for the one time month payment, some payment and you compare that to the actual. To the revenues.
- [01:29:29] Yeah, yeah. That delta is probably not as big as. Do you have that number? I mean I don't have it on hand, but that's a good number. It's a good number to have because we make a correction on the expense variance.
- [01:29:42] We don't necessarily make A correction on the revenue variance. You're right, it makes the delta smaller. The Delta is still positive in the forecast year to date, the revenue versus expense delta. But it does make it smaller. And I can follow up.
- [01:29:53] Okay, that'd be great. Because some of those expenses are things we can't control. Right. And then I think the settlement was a one time, one off. And so if you account for it on both ends, I think it would give a more accurate picture of where we are financially.
- [01:30:08] And I think that would be helpful for me to understand because right now when I saw a 20 some percent increase, I was a little shook. And I'm realizing after looking at your slides that the Delta is a lot smaller. Yeah, it is. Yeah. Correcting for the one time items, the Delta is smaller.
- [01:30:25] Okay, thank you. I can certainly bring attention to that. Commissioner Feldman. So I see a lot of the forecast that ends in June. Right.
- [01:30:34] So if you're looking at those now numbers to what we know today, how accurate do you think that that is of a forecast? So the forecast quality certainly improves as you move forward in the year. We update the forecast on a quarterly basis and so we'll actually have the Q3 update shortly, hopefully shortly after the end of the, after the end of the month. I do think our forecast, particularly on the expense side, is fairly conservative. But I think of it very similar as a very similar context to the cone of certainty on capital projects.
- [01:31:10] The closer you get to the end of the year, the smaller the expected variance in forecasting outcomes will be. So I think based on the information, you know, my take is based on the information available to us at the end of Q2 and applying prudently conservative assumptions, the forecast represents a good approximation of where we think we'll end up. The Q3 numbers will be a better approximation of where we think we'll end up. I'm just wondering, if you look at the trajectory of the world that you've seen since, you know, Q2 going forward, do you really see this as a continued trend or do you see any. I mean, we seem like we're getting a lot of layoffs locally of late.
- [01:31:51] I mean, it seems like there are price of gases through the roof. I mean, there are certain things that I would think are not foreseen. Yeah. You know, it's been interesting. Airline earnings calls are something that I keep an eye on because our primary counterparty are airlines.
- [01:32:06] Right. And airline earnings calls talk about the relative inelasticity of their, of their business model and how they seem to be able to Charge whatever they want and folks will pay it. And I think first of all that's a symptom of the K shaped economy, which might be overrepresented in our region, but it also. Yeah, yeah. So I think a little bit of that's over represented in our region.
- [01:32:31] So I think there are probably two distinct. Two distinct type of. At least two distinct types of economies present. The economy that the airlines describe as inelastic to their prices is probably fairly inelastic to the

fees that we charge as well. And so we would have reason to buy believe that we could continue at that trajectory.

[01:32:51] That probably applies to our cruise business. But continued geopolitical uncertainty certainly isn't good for anybody's business, least of all ours. What I will say on the unemployment front is the headlines seem to overstate what the data shows. If we can trust the data from the Bureau of Labor Statistics. What I had expected was a much, much more significant shock to local employment after seeing the headlines about layoffs.

[01:33:18] And we haven't seen that really carry through in the data, which has been kind of interesting. Thank you, Commissioner Cho. You mean the ramifications of those layoffs has not been seen in the local economy? What I'm saying is the ramifications of those layoffs I expected to see in the data in a more significant way and so far. From a consumer spending standpoint.

[01:33:41] From a consumer spending standpoint, but also in the unemployment figures and in the aggregate employment figures by industry in the data. And it just. It hasn't shown through yet. Or at least it hadn't as of the last update that I saw. Yeah, it's probably because when they get laid off, they get all their stock options.

[01:33:58] So they've got a nice cushion.

[01:34:02] Any other questions before we proceed with V's portion of the presentation? Presentation. All right, let's jump in. Thank you. Good afternoon, commissioners.

[01:34:10] Executive Director of Metrics. My name is V. Donley, Assistant Director, Aviation Finance and Budget and I'm here to present the aviation Q2 financial reporting. So passenger growth here, what you're looking at on the orange bar is we're looking at 53.1 million passenger forecasted for year end 2026. Compare that to the budget number, we are looking at a negative 1.8%. However, compared between the 2025 actuals to the 2026 forecast, we are looking at a 0.8% growth and that is about 0.7% growth in domestic and 4% growth in international travel.

[01:34:54] Next slide. This is the airport financial summary for our year end Forecast the top few lines there you could see that's our revenues. Our aeronautical revenues is on a cost recovery model. So the changes is due to impact on changes on debt service as well as operating and maintenance expenses on our non aeronautical revenues. That is an increase of 13.8 million compared to the 2026 revised budget.

[01:35:26] So strengthen the cost public parking, rental cars, flight kitchens, airport dinings and retails and then the delay of construction closures for the south concourse lounge is providing an additional three months of operations Compared to budget our operating expenses for Q2 I expected to be higher at the end of the year by \$950,000. Next slide please.

[01:35:56] This is our Q2 operating expense summary. At this point we were looking at 13.2 million or 4.5% under budget. For payroll we're looking at 1.6 million under budget driven by vacancy savings outside services underspent by 8.3 million due to professional, personal and contracted services, mainly due to timing between budgets and actuals and some missed accruals and offset by overspent on onsite consultants due to timing of projects. Other expenses underspent by 2.5 million in equipment, training and travel general expense expenses and offset mostly due to higher maintenance materials charges from other

divisions underspent by 858,000 mostly due to underspent indirect non payroll wages and offset by overall allocated cost. Next slide please.

[01:37:01] This is our operating expense summaries for the year end 2026 for Q2. At that point we were looking at 950,000 over budget. So payroll under budget by 4.6 million mostly due to vacancies and lower charges to capital on fill positions outside services over budget by \$2.1 million. This is mostly due to we have a large capital projects that change from capital to expense so and then also due to some other changes on on site consultants due to accelerated schedules for the SCE project offset by projects under budget in professional, janitorial and contract other equipment expenses Other expenses over budget by 895,000 due to maintenance materials at Q2 was forecasted to be over the budget by 1.8 million, offset by savings in trainings and travels and lower charges to capital. Other division charges over budget by \$2.2 million mostly from Central services due to anticipated higher cost at Q2 forecast.

[01:38:23] Next slide please. And this is our aeronautical revenues. As I mentioned earlier we were looking at a \$4.7 million reductions due to decreased debt services partially offset by our GASB103 adjustments and slightly higher O and M increases to the aeronautical expenses then. Next slide please. Our non aeronautical revenues is looking at 13.8 million higher is 4% higher at \$368 million.

[01:39:01] And I already went on those areas already on the drivers. So. Next slide please.

[01:39:11] This is our net debt service coverage ratios is slightly below the revised budget. That is we're looking at year end forecast of 1.6 and so it's driven by higher net debt service for the year.

[01:39:30] Next slide please. So what's that last column in that table? The last columns on the revised versus. Yeah. Revised budget variance.

[01:39:41] Okay, so that's the forecast. The changes between our 2026 forecast and 2026 revised budget. How good do you guess? So what is. Oh, I see.

[01:39:52] Yeah. Oh, it's the variance. It's the variance.

[01:40:00] Any other questions? No. Next slide please. Our airport development fund balance is projected to be on target at 882 million which is 18 months of O&M in 2026.

[01:40:17] Next slide please. Okay, lastly, this is our 2026 capital spending forecast. We also forecasting to be in line with the budget as well. There's some changes. SCE spending has increased as design effort front loaded due to the accelerated schedule.

[01:40:34] The SCE gateway spending is lower as projected savings increased. And then the CCE spending is higher due to unanticipated changed orders. That concludes the aviation presentation. Are there any questions?

[01:40:53] Commissioner Feldman. So if you had to push one button to increase revenue, what's what would you recommend? Non aero definitely. How to increase our non aeronautical revenues. We need a lot of ideas, you know, how can we get people to spend at the airport.

[01:41:12] Yeah. You know, so definitely looking at increasing our non arrow Noi. Yeah, there you go. That's what I was going to say. Yeah.

[01:41:22] If I could. Non aero is really non Arrow is great. And V is exactly right from an operating perspective because it's. It's unrestricted. Right.

- [01:41:28] We don't have to spend more money to get it like we do in Arrow. But if we were to raise the PFC cap, it would make a meaningful difference in our capital capacity and it would for every airport in the country. But unfortunately we can't do that here. So. So I mean we've heard about, you know, the lounges are doing really well, the K economy.
- [01:41:51] Right. So we built all these beautiful facilities and people aren't eating here. Right. So that seems to be more. We're like somewhat competing with ourselves.
- [01:42:01] But I mean I think I mentioned before like having a strategy, you know, come early, enjoy the art, take a load off, don't stress, and have a good meal. I mean, it's just like we need to, we have the assets, we just have to encourage people to, to relax and smell the roses. So, I mean, it seems to me that's an ad campaign, if that's what we need to do, which is relatively cheap given that we spent the money on building the facilities to market. My 2 cents. Sure.
- [01:42:34] If I could just follow up on that. I think my observation is that we're the victim of our own success. Because, you know, you rewind back to five plus years ago, there was always this fear about how long TSA lines are going to be, whether or not I have to get there two hours earlier or three hours early. And now that we've been relatively successful in reducing those wait times, people don't feel the need to get to the airport three or four hours early. Right.
- [01:43:01] And a lot of people did. And they go through security and they find themselves with an extra hour or so behind the security. And that compounded with the fact that we have now these new fancy lounges that people are taking advantage of, we have to look at. That takes away business from our ADR tenants. I mean, let's just be really honest.
- [01:43:22] If you have a free meal waiting for you at the Centurion Lounge, you're more incentivized to go to the Amex Lounge than you are to go buy at an ADR tenant. Right. And so these are all good things. I feel like we have a good problem on our hands. The fact that our passenger volume continues to go up, the fact that our wait times are down, the fact that we have more dining options, better dining options than ever before are all good things.
- [01:43:48] But to Commissioner Feldman's point, we're kind of at this point where like, how do we take all these different good things and make them as optimized as possible from a non aeronautical perspective. Right. And so, so I think it's a big question that we all need to put our heads to. I think if travel behavior doesn't change, then we need to find other sources of revenue within the terminal that doesn't necessitate more spending necessarily. Right.
- [01:44:20] Christy and I have had talks about ad revenue at the airport and how we can digitize all our static screens. And so I do think there's still a lot of low hanging fruit for us. But the reality is like, we can't change PFCs and we can't change really like traveler behavior. Right. Even I used to go to the airport three or four years, three or four hours beforehand to hang out.
- [01:44:44] I'm increasingly finding myself arriving at the gate right as we board. Right. And so I think it's just skating to where the puck is going. We've got to figure out how to keep those non aeronautical revenue is up even if that means we need to create new streams of revenue in different lines of businesses.
- [01:45:05] I'm going to go with Commissioner Muhammad and then Executive Director Metric. I'm glad executive

Director Metruck has his hand up because that's what I was going to go to get some of your thoughts on this. It sounds like we obviously have a lot of challenges of opportunities as well. And so what is some of the visioning that we are looking at and what are the opportunities that we can consider as we think about the 2027 budget? Thanks.

- [01:45:29] Thanks Commissioner. And yeah, just to add to one discussion there and then to get to the bigger picture, I think that we're not the only ones that are experiencing this. If you go back to the consumer confidence measure there, the graph that Chris showed, you can talk to any of the owners of the sports teams. People are still buying tickets to the sports teams but the average spend per customer that's coming in, that's buying a ticket that's going is spending less and less because they have less consumer confidence. They're spending more on energy costs and other things that are going up and so they're spending less.
- [01:46:04] We're experiencing that writ large. And so I do agree on those different ideas to look at that and I know Wendy and her team are looking at. We're seeing some positives of that and they're. There is. And if they were here, they're available here but you don't need to go into it now.
- [01:46:18] But that will come up in the 27th budget. What are our strategies for that? And there's a premium products there that people are willing to pay for to look at that. So we have to look at where some of those opportunities are in that. So but I think that we're doing on the other side.
- [01:46:33] The big thing that we can do is that we'll see in the 27 budget is the growth of the, of the expenses. And so you get that both ways. You want to work on increasing the revenues but you want to also want to control the growth of expenses as well. And so you'll see a lot of work coming on both sides of those when we bring the 27 budgets before you. Thank you.
- [01:46:54] I see Heidi's hand is up too. Heidi. Yes. Sorry. Good afternoon commissioners and executive Director Metruck Heidi Papajo Aviation Finance and Budget Director I just want to add on to the different approach for non aero revenues.
- [01:47:12] We're looking at expanding our fifth floor the reserve parking program in our public parking garage at the airport. As you may recall, we launched that a couple years ago on the fourth floor and it has been very successful. And the non Arrow team led by Jeff Wolf, they're launching the fifth floor reserve parking this year. So that's some excitement as public parking is one of our key revenue drivers for non aero. So I just wanted to give you an example of the innovative ways that the airport is looking at increasing revenue and more to come in the 2027 budget process.
- [01:47:57] Thank you. Thank you, Heidi. Commissioner Cho. Thanks, Heidi. I, I, I, I appreciate you highlighting the, the parking revenue and the, I know we had discussed at our last retreat about changing that.
- [01:48:10] I, I want to make sure that we're really tracking holistically the tra, the parking revenue. Because again, going back to my point about being a victim of our own success, now that light rail connects to the east side, we're going to see a lot of people on the east side taking the light rail to the airport, which then cannibalizes our parking revenue, I think. And so, you know, while I understand we're kind of adapting to the circumstances, I want to make sure that we're also making sure that we're tracking just overall trends to the airport because I think maybe this might be a patch for now, but when you have a bunch of people who are opting to take the light rail, which I suspect has been the trend in the last five or six years, that might be a short term fix relative to what we could be doing more long term. So it's a good fix for now, but

I'd like to make sure that we're tracking how patterns are changing so that if we need to make further changes later, we're ready to do that.

[01:49:06] Commissioner Hasegawa, did you have a. Commissioner Feldman. Thank you, Commissioner, Commissioner Cho for bringing up one of my pet peeves. We don't track the number of people going through the light rail. I don't get it.

[01:49:20] I mean, there is like, we've been wanting to encourage people to use it, but at the same time it's a countervailing stimulus. But trends would be nice if we had the data. Have you requested it repeatedly? Can we request the turnstiles? I heard they're putting in turnstiles at the gates at the like light rail stations down really well.

[01:49:40] I mean, we may know someone. I mean, I kept asking why don't we just have like the lasers, right? The seeing eyes? And I said, you know, you count the legs and you divide by two. Right.

[01:49:50] And so just what is the problem with not knowing how many people the modality split is foundational to a transportation center. What's the hang up?

[01:50:04] All right, I'm going to encourage us to get back on track with our presentations. I can see Kelly sitting waiting in the way. Thanks. Thank you.

[01:50:14] Next we'll have Kelly Zupan, our Seaport Finance and Budget Director, give us the Q2 update. For that those divisions.

[01:50:29] Good afternoon Commissioners, Executive Director. Metruck Today I'm going to go through the seaport, which includes economic development, maritime and our joint venture with the Northwest Seaport Alliance. The first slide you see here is our key metrics for the through Q2 of 2026 year to date, Q2 container volumes are down compared to the pre tariff buildup in 2025. For crews, it continues steady yet stabilizing growth. For Schoal Bay Marina Occupancy, particularly in Q1 was impacted by delays in assigning slips at the beginning of the year to accommodate for the dislocated Salmon Bay Marina customers.

[01:51:18] And for grain, we got a return of soybeans. Not a huge one, but a little bit of a return of soybeans after since we haven't had much since 2024. Next slide.

[01:51:33] So this slide is a roll up of the overall seaport finance performance or seaport performance through Q2, and it includes the forecast as well. And as Chris mentioned noted earlier, one of the things we do see in the forecast, we are we may we look a little conservative, but we also do see you'll see it in our actuals and our forecast is that we tend to have a hockey stick impact on our expenses. We try and budget them like we think we're going to get them done, but it takes a little bit of while for the contracting and the invoicing to work its way through. So we tend to have a lower Q1 and a higher Q4 rather than an average spend throughout the year.

[01:52:20] As you can see right here for the maritime division cruise is driving a little bit of that. We got strong grain and we got really strong grain volumes in the first half of the year. And with our cruise budgets, one of the things so that we are going to be changing in 2027 is for 2026 we budgeted flat occupancy throughout the course of the year. But in reality in July and August we have like 109, 110% occupancy and in April and May we're under 100%. So year to date our CRWS is going to be lower than budget.

[01:53:04] But we are definitely what we've seen, seen as you asked Commissioner Felleman is in July and August

we seen significantly better cruise revenue throughout that period for the joint venture.

- [01:53:20] Timing of the grant revenue at the alliance is one of the big factors year to date. But we expect to catch that up as we get into the end of the year. And from the expenses at the joint venture they're driven more by non budgeted IRRL and tribal payments.
- [01:53:39] Both back for tribal payments. We have both backdated tribal payments since we moved them from the alliance to the joint venture. And then we have some in the forecast for current year on those tribal payments. So the next two slides as IRL becomes a bigger part of our budget each year, I wanted the next few slides I'm going to be talking about the environmental remediation liabilities or IRL and do a slightly deeper dive in that. So next slide please.
- [01:54:15] As both legacy contamination costs and project remediation costs are absorbing such a significant portion of our funding along with now being attached to our income statement through changes in our government accounting standards board or gasb. We thought it would be helpful to better inform the public as to how and how much cost and effort the port is putting into cleaning up the region here. And so I'm going to walk you through, take a little bit of time here to walk you through the chart above. There is, there are two types of Earl that you'll see. One is the business or capital project related and a perfect example is we're going to be doing some demolitions out at Terminal 91 and you'll see this in the budget there.
- [01:55:03] And when we do project work and it trigger, it triggers some contamination or we find it, we book the expense right at that moment and then we create a project and we'll track it for a few, we'll track it until the project is completed and then there's usually a plus or minus at the end of that depending on how much the total project cost was there. And then we have legacy driven earl projects. These are, you know, with the capital driven one they're usually shorter duration and they're booked right. They're booked right to actual with the legacy driven ones you, you can see there's not going to be many numbers that we can disclose here because most of them there's multiple bodies in there usually King county is right up there along with us and Boeing and some other groups. And we're constantly negotiating the shares of the payments of those and so we don't disclose those publicly.
- [01:56:07] And they're big. They're big. There are many years, many decades and extremely high dollars in there. And that's what's to the public, that's what's soaking up a lot of our tax levy dollars as you see every year in the plan of finance presentation. So who gets charged?
- [01:56:25] Maritime has very little of the legacy driven ones, A little bit at 91, but most of it is just projects triggering cleanup and, and then the joint venture because most of the legacy projects are along the Duwamish and whatnot. They have a huge, much larger portion of the legacy driven contaminations. So next slide please. So here's a list of the key Earl projects that are under there for Maritime. Again, Terminal 91, Uplands, there's an abatement.
- [01:57:00] You'll see about a million five this year booked. And then the legacy. I listed, you know, a list of the legacy projects there too. The joint venture, they're having a lot of projects coming forward as you can see to the right on there. And one of the tricky pieces to the joint venture Earl projects is that we you as managing members and Port of Seattle Commission approved through the managing member process at the alliance the project.
- [01:57:32] But then the Earl portion turnaround and it comes through and if it's above a certain level, then you guys

have to approve the Earl project here through the Port of Seattle. And the Port of Seattle pays for through the joint venture pays by itself that earliest portion of these projects. So a lot going on here. But you do see and you will see going forward, this being one of those hard things to budget for and what will often drive our expenses above budget if it happens. So I don't know if you have any questions on that.

[01:58:12] Otherwise I'll move to the next Commissioner Pellman has a question.

[01:58:17] So when it comes to Earl liability for the alliance managing members, you made it sound like it was like the amount drove. Who gets to have the share? I thought it's questions whether like on a deepening project, whether it's the wharf or the waterway, that it's the location. I mean in terms of how much is the home port versus the alliance is not based on the amount of money, but it's like where the cleanup is occurring. Yeah.

[01:58:49] If it's in the north harbor. If it's in the north harbor and there's cleanup, the Port of Seattle pays through it pays for it and the alliance doesn't. I mean, it's in the charter that we pay for all contamination. But I just must have misunderstood. But you were suggesting, I thought that like once it comes to a certain level amount of money that we can't.

[01:59:15] That somehow we can't forecast or budget for it. I thought, you know, it's an alliance problem. Right. And that we. The amount of money that's allocated for Earl is in the alliance and that's.

[01:59:30] I don't see. It's not in the alliance and it's in the joint venture. It's our portion of. Of the alliance properties that pays for it. It's not the alliance that pays for it.

[01:59:39] And I was talking primarily about the x2 authority. Like if it's a smaller amount, we'll run it through Mari X2 process versus if it's multiple millions of dollars. We come to you through often through the project authorization for maritime or we'll have to go through a separate authorization. That's the distinction. Okay.

[02:00:00] Through. If it's joint venture one and meets that threshold that requires commission authorization, that's where the number. Thank you. Appreciate it. Sure.

[02:00:08] Yeah, it's confusing to me as well sometimes. So, yeah, it's a lot of complexity there. So if no more questions, we'll move on. Next slide, please.

[02:00:23] Next slide. One more. All right, so this slide is the maritime and the joint venture key takeaways. The terminal. What you'll see here, Terminal 91, demolition of 3 of the buildings.

[02:00:39] We're expected to spend about \$2 million in 2026, but we had 8 million budgeted. So that's going to drive a lot of. What you'll see is expense savings throughout the presentation. Also you'll see revenue year to date. We're tracking just ahead of budget.

[02:00:56] I think our forecast is actually going to be higher than that. And then the joint venture, the revenue is tracking, but they're forecasted a lot higher expenses from tribal payments and remediation. Next slide, please.

[02:01:16] So this is our forecast for the maritime division. You'll see cruise. We've got cruise as about a million dollars higher in budget. It's probably likely going to be slightly higher than that. And the big driver is we had a.

[02:01:28] When we negotiated with Cruise Pacific or with Pacific Cruise ship terminals, we ended up getting a much more favorable share of the revenue. 93.5% versus 88% that we had from CTA at Terminal 90, Terminal

91. So this should generate, like I said, a little more than a million bucks. In 2026. And it's also going to be helpful when we meet next month and go into the 2027 budget.

[02:01:57] It's also helping there as well. One of the other expense line items that we had is there was a derelict vessel. And so we had about \$700,000 of net derelict vessel hit. It hit in Q1. But we hope to get reimbursed usually by the DNR later in Q3 or Q4 on it.

[02:02:22] Sometimes we get some insurance on that as well.

[02:02:28] Next slide, please.

[02:02:32] So for Q2, like the revenue was up grain and some of the FIFA related items Earl and the Quaker made derelict vessel were some of the key drivers in the expenses. And our capital spending is really in line with budget. Next slide, please.

[02:02:56] So here's a quick look at the Northwest Seaport alliance financials. Like I said, not included in the financials is the 16 million shortfall in grant revenue that was budgeted. Some will show up later this year. This is why you see a distributable income for the joint venture is below budget. On the next slide you'll see this despite favorable net income variance here.

[02:03:20] Next slide, please. As mentioned earlier, distributable revenue should catch up to budget by year end as some of that grant revenue gets recognized. And again, the key expense variance is here. 1.5 million combined for IRL and 1.8 million in the tribal payments.

[02:03:42] And then the maritime cap. Next slide, please.

[02:03:47] The maritime capital it's tracking to within 5% of budget. Through our progressive design build, we identified some efficiency efficiencies. As mentioned earlier, as you were briefed earlier through the Terminal 91 shore power extension where we were able to get about \$20 million net capital capacity through the deck panel rehab. Replacing the deck panel rehab with a structural slab. So that's it for maritime.

[02:04:14] And then we just got one. Next slide please. More and then Economic Development division. Like most of our groups under budget year to date, but still forecasting to hit budget, There is a lot of work ongoing and expecting to be completed in Q3 and Q4 and particularly in the grant program. A lot of that work will hit in Q4.

[02:04:40] And that's it for Seaport. Lots of questions, right? Other questions about seaporter. Economic Development division.

[02:04:54] Commissioner Feldman, could you go to slide 28?

[02:05:08] So all those lines of business are in the black for revenue, right?

[02:05:19] All right. Yeah. I mean you can see where, you know, budgeting revenue or forecasting revenue. All right, so I'm just gonna six to, you know, budget a little under a Million and forecasting to about 6 million above. But they're all after.

[02:05:39] So the net income. Right. They're all positive, right? No, it's not all of them are positive. Cruise, as we mentioned earlier, cruise is the one that's positive.

- [02:05:53] And we had a budget discussion the other day and it popped up. They're the one that is positive. The Shoals Bay marinas, they're negative, but they're not covering their depreciation. And then the rest of them are, particularly the fishing. We're heavily subsidizing the fishing and some of the commercial.
- [02:06:16] Most of all the other. So I mean, I don't see anything for fishing, any line. I mean, the marinas, you're showing the variance of \$20,000 right. On the revenue side. But I'm just trying to see if we were to look.
- [02:06:36] I have that in the appendix there is there. We break it down by each of the business lines in the appendix as well. All right. I mean, to me. So the summary is typically they're all lumped together, you know, maritime.
- [02:06:49] And so I'm just saying within our maritime portfolio, where would we want to be exerting more effort? I mean, we know that marinas and fishing terminals are not cash cows. But you're saying grain is up, right? Grains, pretty. I mean, it's up, but pretty flat.
- [02:07:10] We like soybeans. Right. Not enough. Not enough to meaningfully offset all of our costs on there anyway. I just think it would be helpful to understand.
- [02:07:21] Understand, you know, the numbers for what they are, why we can. What we can do better. Right. Rather than just saying this is how they're performing. Well, it's our Q2 presentation next month when we go through the budget.
- [02:07:35] I'll be walking through each of those, probably more so than you will want to see on there. But I will hit each of the profit and loss statements and they'll be annualized for. For cruise, wreck, boating, ship, canal. I appreciate that. And the cone gets better and narrower.
- [02:07:57] But I guess it's the why is what I'm looking for. We're just talking about the net result and that we can help explain how we got ourselves here and what's the plan to get out? Well, I think one of the things that I don't have listed here that will be, you know, it makes it look like we're doing fantastic here is we're starting to see the depreciation go up because the cost of all of our capital projects are. Have shot up. And so, you know, depreciation for us is usually like a 30 year horizon, 20 to 30 year horizon.
- [02:08:30] So, you know, when a dock that we built 40 years ago cost us \$5 million and now it's costing us \$80 million, it's a huge change in our depreciation. And so every one of the business lines is really impacted by that. And Stephanie Jones Stebbin, our managing director, she has a goal to try and get us as the maritime division profitable after depreciation. And I think operating wise, we're, we're working that way. Chris implemented, Chris Winsad implemented zero based budgeting.
- [02:09:07] We've shrunk our costs, but the cost of rebuilding all of our infrastructure is so high that we need to expand our margins not just a little bit, but a lot to be able to cover that. And plus hopefully we get some improved settlements and some of those things in these liabilities that we have going forward with Earl. And we can, and that will help a lot too. Those are some big lifts that we've got on our plate that don't show early is something that we have no choice about. But you know, just cutting is only part of the solution.
- [02:09:44] Right. We need to be looking at where we push into the future. I just had a quick follow up to things when you said that we're heavily subsidizing for fishing by how much? What are those numbers? Commissioner Fellamon, he should be careful what he wishes for for the next presentation.
- [02:10:06] It is.

- [02:10:09] Can I take that as a takeaway? I just might pronounce right here. Yeah, we have. You'll see that when we go through the budget process because we do have, we'll have all the details in P and L, so you'll be able to see each of those. That would be helpful and also like the justification for that and thinking from the division directors would be helpful to us.
- [02:10:29] I know that comes up in other areas, ground transportation and so forth. And so it'd be good to know how you all are tackling that. And directors. Yeah, I'll leave that to Stephanie a little bit. I know there's a lot of jobs involved with the fishing piece as well, but I'll leave that to Managing director.
- [02:10:49] In general, I'm hearing a desire to have the by business line kind of noi look and so we'll make sure that we surface that for Q3. Yeah, we've got it already. Steve and I were at an event this morning and I had an opportunity to hear a quick presentation from the executive director, Steve's counterpart at the Port of Everett. And they describe their harbor as everything north of the Navy is the fun part and everything south of the so which is the recreational marinas, the ferry to Jetty island, the sort of fun stuff. Everything south of the Navy as being what pays for the fun part.
- [02:11:29] And I think there is a bit of a dynamic the Port of Seattle that's similar.
- [02:11:36] Yes. Commissioner Hasegawa, I just wanted to ask if then the different and you said and then there you are, you're hiding. You said we're going to get into different, more specific portfolio and line items in a subsequent briefing. Will that include real estate properties in Sam and Bay? We can I can break those out.
- [02:12:00] I mean we can break them down to the property. But Salmon Bay we usually bunch them up into that's our ship canal area which we combine with Fisherman's Terminal. But I can break those out for the budget if you'd like. Salmon Bay. One more note is when you're talking about fishing, I think and you always do this and I'll find that beneficial this time as well as just how it's performing year over year because I know we subsidize a lot.
- [02:12:28] Yeah, yeah. So yeah, I'll definitely break those out. Oh, and the real estate portfolio and that one there's some subsidy, a lot of subsidy. Don't add an extra 15 minutes to the presentation on my account. But no, we've already got that in there.
- [02:12:45] So it's not you know we're planning to present this update.
- [02:12:52] Executive Director Mitch Commissioner, before we go on just to make a comment on this a lot, a lot of these things will be as we look at the proposed 27 budget, there will be a lot of detail on that. So we're just fine on these quarterly updates we provide to you but we can you know, just wanted to figure out what is the right level for that. But obviously appreciate all the deep information or interest in the budget and the factors driving into that. But we will examine a lot of those. The one thing I do want to say is that we talked about the Earl I as I'm looking forward I'm going to give you a preview of that which is the cost for us going forward is going to be eating a larger and larger portion of our CIP for the for our maritime so at least for the near future into the medium future for that.
- [02:13:38] So that's where we are in our programs for remediation. Commissioner Mohamed since we're putting in risk request also I think it would be helpful for the next presentation before we pass the budget to understand the cost of some of the facilities that we oversee, including Care 69, also the Maritime

Innovation Center. There's a lot of dollars that went into that. What's the return investment on that property as well? That would be really helpful, thank.

[02:14:12] You. Okay, good afternoon commissioners and except Director Matric. So I'll go for the next slide please. I'll go for the essential services. Next slide please.

[02:14:26] So several key takeaway for central services total operating expenses were 835,000 or just 0.8% below the revised budget and 8.8 million or 9.5% higher than last year. Same period last year total operating expenses are projected to be 2.6 billion or 1.3% higher than the revised budget and 41.6 million or 25% increase year over year. Because two big item here Chris mentioned a little bit earlier. One is the DRS pension for the central service portion which is 13.2 million and then the 20 almost 22 million for the legal settlement credit. So without that we are projecting 6.6 million or 3.3% increase year over year.

[02:15:27] Next slide please.

[02:15:33] So here give you a little bit more detail by account for the year to date expenses several big area overall against 835,000 or a little bit below 1% below the revised budget mainly due to a couple of factors. The biggest piece is the outside surfaces 4 million but they are offset or partial offset by the salary and wages on the payroll side as well as less charges to capital on the year to date, year over year changes. If you look at the last two column there also very similar story. The increases in the payroll and then the the outside services almost 2.8 million increase there year over year. And then the other one I do want to point out is the second last one other expenses that's the over 2 million 2.6 million increase from last year.

[02:16:39] And that's partly because the gas fee changes relate to some of the long op expenses. One example is the election expenses. We put it into the long op in the past and under the new GAS B requirement to recognize as operating expenses. And then the other one is the insurance expenses going up compared to 2025 actual. Next slide please.

[02:17:10] So for the full year we expect the payroll will be over budget as well as the charges to capital, less charges to capital that will impact expenses. So overall again you know without the two items that I mentioned a little bit earlier there will be 3.3% increase from 2025 and then the biggest piece as you see can can see the core central services year to year 26 million. And all those two adjustments credit booked into the core central services, engineering and PCs. If you look at year over year changes, expect about 4 million increase. And mainly because more support for the project expense project for the operating division.

[02:18:07] So with that we'd be happy to answer any questions that you may have. And also want to point out there's a lot of detail in the appendix slides questions on the central services budget.

[02:18:27] Forgive me if you already covered this. Did you just say that the payroll would be over budget? Yes, but we heard also that we're under budget because of the vacancies. The aviation division, they're over under budget. And partly two factor because in the payable account we have three different account.

[02:18:45] One is the salary and benefit. The second one is wages and benefit which is one for the loan. We present the employee and then the other is represent the employee. And third account is the charge to payable to cash capital. You know, so those charge, I believe aviation, they come, they talk about all the three account combined and then the expense portion.

[02:19:05] At least for central service we were over budget. And partly because exactly the same reason we had less

charge to capital. Okay, thank you, sir. Sure.

[02:19:17] Any other questions?

[02:19:21] Okay, thank you so much for the presentation. And we are going to spend a lot of time with you guys over the next month and a half.

[02:19:30] All right. With that, our business meeting agenda for the day is concluded. Are there any closing remarks or comments at this time or motions relating to committee referrals from commissioners?

[02:19:46] Commissioner Fell, Thank you. There was a couple of those anniversaries I thought were worthy of noting again was, you know, the port of Anacortes. As I said, It's 100th anniversary, so we're 115. But anacortes, this little port up the block, you know, our ports have been around a while. I thought that was sort of an interesting reality.

[02:20:13] I thought we're the old guys in town. I also would like to, you know, move warn the loss of Spot Saver. Sorry, I was going to go the other place, but I understand Spot Saver is no longer going to be there because we're doing such a good job of moving people through the gates that we don't need to pay for the administration. I don't need to make light of that, but.

[02:20:35] And just to note that the Schilsho food trucks, Annie Tran did a great job of getting with the rest of the team to get that out there. I'm looking forward to. You're not supposed to still be laughing. So the idea that we're trying to see if we can make up for the idea that we never got dukes out onto social. Hopefully that's profitable for both the visitors as well as for the vendors.

[02:21:04] And I think, I guess 911 is always an important thing to me as a New Yorker. And I appreciate you recognizing that. The one date that wasn't recognized, we have the Rosh hashanah. That's the 55,780 year of the 5787. Pretty old religion there.

[02:21:30] But this is also like that, this days of atonement concluding in Yom Kippur. And I just got to say, for the, for the Jews living in Israel, I think there's a lot of atoning that needs to be done. I cannot believe what's still going on in the Middle east. And I think I can say it as a Jew, but I'm dismayed by the fact that we still are trying to exterminate people that have been living there for a long time as well. So it does conclude with Sukkot, which is the celebration of the harvest.

[02:22:08] And one of the things I really do like about Rosh Hashanah is that unlike December 31st to January 1st, where you note no difference in the climate, I mean, right now we have the change of the seasons and you feel it. It's like, makes more sense to have your new year happen when there's a change in, in your behavior and things like that. So, anyway, thank you for that. Any other comments from commissioners?

[02:22:34] Commissioner MUHAMMAD thank you. And thanks for running this meeting today. Partially. Partially.

[02:22:43] Vice Commission President Bellamon, for running the first half of the meeting. I also wanted to add to the Labor Day remarks and just want to pause and thank the workers who keep our region moving, from the longshoremen who work at our docks to those who are working throughout our airport, baggage handlers, the crews. We've heard significantly from those who work inside of our airport. And I'm sure as commissioners, you all are receiving the emails from airport workers who can continue to advocate for themselves on health care. And so during Labor Day, I did think about them and thinking about ways that this commission could take action and support them.

- [02:23:28] But yeah, we appreciate the work that the folks on our facilities are doing every single day. I also wanted to add that I did get a couple of outreach from stakeholders who, who care about the work that we are doing in committee as commissioners. And I think there is a way that maybe we can provide greater transparency for the discussions that are happening in committee, whether that is, we publish the slides, maybe Some of the notes in more details. Because what I feel like I end up doing, colleagues, is I'm providing an update when they call me. And I wish I, I could point them back to where that information could be public.
- [02:24:11] I really, I stepped in for the Audit Committee. I think the Audit committee is an excellent committee and a lot of that information from audit is online. It's easy to follow. And so I think for our committee work, we ought to consider that how do we provide more clarity and transparency for what is happening in those meetings that we are are discussing as those who are elected by the voters of King County. So I wanted to elevate those two items.
- [02:24:39] Thank you for the time.
- [02:24:42] And Clerk Hart, maybe you and I could discuss how we either committee minutes or something we can do that takes advantage of existing resources. We're not having to do a bunch of new work to get that information up. Absolutely. We can certainly discuss options. I just want to note that the Audit Committee is a good compare and contrast.
- [02:25:04] That is actually an open public meeting forum, as opposed to our internal committees or not. We do not have a quorum of commissioners in those meetings, so they're mostly internal. But I think there are some things that we can discuss and look at to bring some visibility to the process. I will note that our agendas for committee meetings are all online on the public side. And we do have public committee pages for all of our committees that are available to the public.
- [02:25:31] I think, if you don't mind. Yeah. And I think the public appreciates that. From what I've heard, having the agendas and knowing what's going on, I think that also creates the follow up because they see what's on the agenda and what's been discussed and then looking for the slides on that and the topics and wanting, you know, then commissioners to provide that addition briefing. And so it would be helpful if there's this.
- [02:25:55] Not to create additional work for you, Clerk, but if there's an easy way for us to create greater transparency, I think that would be really helpful. And I believe other jurisdictions, the local cities, their committees are public committees and recorded. So I don't know if we want to look at other examples out there for best practices, but we, we ought to consider that. And it doesn't have to be. I'm not requesting the change to happen immediately, but just elevating it as something that has been brought to my attention.
- [02:26:25] And I concur with. Agreed. And we will definitely look into some further transparency. Thank you. Commissioner Feldman, did you have one more thing?
- [02:26:33] Yeah, One last thing. The folks from ILW were asking for the contract for the ACL and they had asked me whether I had seen it as well. And I don't know. I know this is not a jurisdiction doc, but there seems to be something. They've made a public disclosure request.
- [02:26:54] I just hope that's done in a timely fashion. I think the commission should have a chance to see it. So that's a request to have that go out and make sure we just put that to bed. Thank you, Executive Director Metric.

Any comments?

- [02:27:13] Thanks for the recognizing of Annie Tran and the social kind of move kind of quickly on that to see if we can meet a need on that. But I do, I also want to say thanks for the staff for the work that was done in the putting two projects together and saving \$20 million. This is an incredible kind of thing that we're going to need going forward. I just want to, I just want to note that as well. So thanks and best of luck to Stephanie Jones Stevens in a quick recovery.
- [02:27:40] I was really sorry to hear that she had an accident. She got hit by an Amazon truck. All right, with that. Was that a joke or are you serious?
- [02:27:54] I'm just going to.
- [02:27:57] Let me just say that there's see a lot of questions there. She was involved in accident. I'm just trying to protect her personal health information. But she's fine and she's, she will be following. She has some follow up things she has to do on that from her bike accident.
- [02:28:11] So she's watching, she's online. She's watching us. So sorry. Wish you well. Okay, so my one comment is to share one of the moments of joy and that was getting to watch Mr. Sonny Cho get some new hardware.
- [02:28:35] Hold up that left hand of yours. Commissioner Cho. Hey. It was Truly, I am so glad. And talk about marrying up.
- [02:28:44] She is such an awesome person and you are so lucky. And yeah, truly, truly, I'm so excited for you. Now I got a comment. Yes, of course. Yes.
- [02:28:55] Thank you Commissioner Calkins for pointing out my nuptials. I guess first I just want to thank you all for attending. I had the privilege of having all of my colleagues here at the commission attend my wedding and sincerely appreciated it. It was a beautiful day. Hopefully for you all it was a fun event but it was honored to have you all partake in that ceremony.
- [02:29:19] And yeah, wish us luck. And I did marry up, so I'll put that on the record. Thank you. Hearing no further comments and having no further business. If there is no objection, we'll now recess to executive session for approximately 75 minutes to discuss three items regarding litigation potential litigation legal risk per RCW 423110 1i and and one item regarding RCW 4230 101f.
- [02:29:46] There will be no action taken and the meeting will adjourn immediately at the close of the session. Thank you again for joining us today.