



Commissioners

John Creighton
Chair and President
Patricia Davis
Bob Edwards
Alec Fisker
Lloyd Hara

Tay Yoshitani
Chief Executive Officer

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An audio of the meeting proceedings and meeting materials are available on the Port of Seattle web site - <http://www.portseattle.org/about/organization/commission.shtml>

(The approximate point in the audio recording for the specific item is identified by minutes and seconds; example: 00:01:30.)

**APPROVED MINUTES
COMMISSION REGULAR MEETING OCTOBER 23, 2007**

The Port of Seattle Commission met in a regular meeting at 12:00 p.m., Thursday, September 25, 2007 in the International Conference Room at Seattle-Tacoma International Airport, Seattle, WA. Commissioners Creighton, Davis, Edwards, Fisker and Hara were present.

CALL TO ORDER

The regular meeting was called to order at 12:06 p.m. by John Creighton, Chair and President.

1. EXECUTIVE SESSION pursuant to RCW 42.30.110

The regular meeting was immediately recessed to an executive session to discuss real estate, litigation, labor relations, and legal risk for approximately one hour and fifteen minutes, and reconvened to open public session.

PLEDGE OF ALLEGIANCE

2. APPROVAL OF MINUTES

None

4. SPECIAL ORDER OF BUSINESS

None.

5. UNANIMOUS CONSENT CALENDAR

None.

6. POLICY AND STAFF BRIEFINGS

a. (00:01:17) Update on the Terminal 30 Container Reactivation and Terminal 91 Cruise Terminal Relocation Project

Presentation Document: Commission Agenda [Memorandum](#) dated October 18, 2007 from Michael Burke, Director, Cruise and Cargo Services, and Janice Zahn, Seaport Capital Construction Project Manager.

Presenter: Ms. Zahn

b. (00:02:55) Follow-up Information on Capital Project Delivery Process

Presentation Documents: Commission Agenda [Memorandum](#) dated October 5, 2007 from Bob Riley, Director, Aviation Capital Improvement Program, and computer slide [presentation](#) entitled, "Aviation Phase I CIP Authorizations, Budgets and Costs."

Presenter: Mr. Riley

Topics addressed:

- Purpose of Briefing
- Aviation Phase I CIP

c. (00:11:18) Aviation Operating and Capital Budget, and Draft Plan of Finance and Tax Levy Presentations

Presentation Documents: Commission Agenda [Memorandum](#) dated October 9, 2007 from Dwight Rives, Corporate Budget Manager and computer slide presentations entitled, "[Aviation Division 2008 Preliminary Budget](#)" and "[Tax Levy Discussion: Seaport and Real Estate Funding](#)."

Presenters: Aviation 2008 Preliminary Budget – Mark Reis, Managing Director, Aviation and Borgan Anderson, Manager, Aviation Finance and Budget. Tax Levy Discussion; Seaport and Real Estate Funding – Dan Thomas, Chief Financial Officer; Elizabeth Morrison, Senior Manager, Corporate Finance; and Boni Buringrud, Manager, Seaport Finance and Budget.

Topics discussed - Aviation (00:12:32):

- Business Plan Forecast
 - Financial Goals

- Financial Forecast – Key Assumptions
- Cost per enplanement (CPE) Progress: Long-Term
- Forecast summary
- Operating Budget
 - Overview
 - Summary
 - Aviation Expense Budget
 - New Initiatives
 - Full-time Equivalents (FTE's)
 - Expense Summary by Department
 - Airline Costs / Revenues
 - Non-airline Revenues
 - Budget Summary
 - Risks
 - Budget Summary vs. Financial Goals
- Capital Budget
 - Overview
 - Summary
 - Proposed new projects
 - CIP Risks
 - Capital Program: 1999-2012
- Appendices
 - Summary of Key Measures
 - New Operating Budget Initiatives
 - Capital Budget Savings / Cuts
 - Proposed New Capital Projects
 - Airport CPE Comparisons

Topics discussed: Draft Plan of Finance and Tax Levy **(01:30:30)**:

- Background
- Changes
- Assumptions
- Committed CIP
- Other Potential Funding Needs
- Updated Revenue Capacity
- Levy Options
 - 1) Committed CIP Funding
 - 2) Minimum Deferral
 - 3) Additional Deferral
 - a. \$134 Mil. Deferral – Levy rate held flat 2009-2017.
 - b. \$219 Mil. Deferral – Levy rate declines ½ cent per year 2009-2017
- Summary of Levy Scenarios
- Forecast Levy Rate by Scenario
- Implications for CIP

- Levy scenarios – Included Business Plan Prospective Projects, 2008-2012
- Seaport Included Business Plan Prospective Projects
- Real Estate Included Business Plan Prospective Projects
- Recommendation and Next Steps

d. (02:28:48) State Legislative Update and Recommendations

Presentation Document: Commission Agenda [Memorandum](#) dated October 18, 2007 from Henry Yates, Government Relations Manager.

Presenter: Mr. Yates

7. MARINE

None.

8. AVIATION

a. (02:47:54) Project-wide authorization for construction of Interim and Final Baggage Screening Systems at Seattle-Tacoma International Airport, for an additional \$34,000,000 for the project, bringing the total authorization to \$230,517,104.

Request Document: Commission Agenda [Memorandum](#) dated October 3, 2007 from Mike Ehl, Director, Airport Operations and Larry Lanier, Security Program Leader, Aviation Project Management Group.

Presenters: Mark Reis, Managing Director, Aviation Division; Dave Soike, Deputy Managing Director, Aviation Finance and Development; and Mr. Lanier.

Following staff comments, Mr. Bob McKinley, a consultant from Quatrotec, was introduced to participate in the presentation.

Motion for approval of Item 8a – Davis

Prior to the vote, Public Testimony regarding Item 8a was received as follows:

- James Thomas, Williams, Kastner & Gibbs, representing G&T Conveyor, Inc. Mr. Thomas read into the record a letter dated October 23, 2007, addressed to Port Commissioners, from Michael Malkowski, President/CEO, G&T Conveyor Co., Inc. A copy of the letter is by reference, made a part of these minutes, is marked Exhibit '[A](#)', and is on file in Port offices.

Motion carried by the following vote:

In Favor: Creighton, Davis, Edwards, Fisker, Hara (5)

Staff authorized: Managing Director, Aviation Division; Deputy Managing Director, Development and Finance; Director, Airport Operations; Director, Aviation Capital Improvement Program; Chief Engineer, Engineering Services; General Manager, Port Construction Services; and Senior Manager, Procurement Services.

b. (03:47:55) Project-wide authorization for the Seattle-Tacoma International Airport Phase I Electrical Infrastructure Program for an additional authorization of \$664,254, bringing the total authorization to \$80,335,362.

Request Document: Commission Agenda [Memorandum](#) dated October 5, 2007 from Robert Riley, Director, Aviation Capital Improvement Program

Presenters: Mr. Riley and Rudy Caluza, Director, Accounting and Procurement Services

Motion for approval of Item 8b – Fisken

Motion carried by the following vote:

In Favor: Creighton, Davis, Edwards, Fisken, Hara (5)

Staff authorized: Chief Executive Officer; Managing Director, Aviation Division; Deputy Managing Director, Aviation Facilities and Environmental Programs; Director, Aviation Capital Improvement Program; General Manager, Aviation Facilities and Infrastructure; Program Leader, Aviation Project Management Group; Chief Engineer; General Manager, Port Construction Services; Senior Manager, Procurement Services; and Aviation Project Manager.

c. (03:57:01) Authorization to execute a Memorandum of Understanding with the Washington State Department of Transportation to negotiate the exchange of properties for the SR 509 highway extension and the exchange and lease of properties the Port needs for current and future Aviation projects.

Request Document: Commission Agenda [Memorandum](#) dated September 26, 2007 from James Schone, Director, Aviation Business Development and W. Allan Royal, Manager, Acquisitions and Relocation.

Presenter: Mr. Royal

Motion for approval of Item 8c - Edwards

Prior to the vote, public testimony regarding the item was received as follows:

- Susan Everett, Washington State Department of Transportation

Motion carried by the following vote:

In Favor: Creighton, Davis, Edwards, Fisken, Hara (5)

Staff authorized: Chief Executive Officer; Managing Director, Aviation Division; Director, Aviation Business Development; and Manager, Aviation Acquisitions and Relocations.

9. GENERAL BUSINESS

a. (04:02:45) Resolution No. 3589, Second Reading and Final Passage. Amending Section 10 “Diversification” of the Port of Seattle Statement of Investment Policy.

Request Document: Commission Agenda [Memorandum](#) dated September 27, 2007 from Craig Kerr, Treasure Manager.

Presenter: Tonya Shum, Assistant Manager, Corporate Finance

Motion for Second Reading and Final Passage of Resolution No. 3589 – Hara

Motion carried by the following vote:

In Favor: Creighton, Davis, Edwards, Fisken, Hara (5)

b. (04:03:50) Project-wide authorization for upgrade of the Learning Management System Project for a total project cost of \$354,000

Request Document: Commission Agenda [Memorandum](#) dated October 5, 2007 from Annalee Luhman, Learning and Leadership Manager; Manette Moses, Manager, Employee Loss Prevention; and Peter Garlock, Chief Information Officer

Presenter: Mr. Garlock

Motion for approval of Item 9b – Edwards

Motion carried by the following vote:

In Favor: Creighton, Davis, Edwards, Fisken, Hara (5)

Staff authorized: Chief Executive Officer; Chief Financial Officer; Chief Information Officer; Senior Manager, Information Technologies Business Services; Manager, Procurement Services; and Project Manager.

c. (04:10:57) Project-wide authorization for the Intranet Redesign Project for total cost of \$283,000

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Request Document: Commission Agenda [Memorandum](#) dated October 17, 2007 from Peter Garlock, Chief Information Officer

Presenters: Mr. Garlock and John Okamoto, Chief Administrative Officer

Motion for approval of Item 9c – Edwards

Motion carried by the following vote:

In Favor: Creighton, Davis, Edwards, Fiskin, Hara (5)

Staff authorized: Chief Executive Officer; Chief Financial Officer; Chief Information Officer; Senior Manager, Information Technologies Business Services; Manager, Procurement Services; and Project Manager.

d. (04:13:21) Authorization to execute a new Collective Bargaining Agreement with the SeaTac International Association of Firefighters, Local 1257

Request Document: Commission Agenda [Memorandum](#) dated September 7, 2007 from Gary Schmitt, Labor Relations Director

Presenter: Mr. Schmitt

Motion for approval of Item 9d - Hara

Prior to the vote, Fire Chief Mandella provided a report on the recent Burn Foundation Auction Dinner.

Motion carried by the following vote:

Staff authorized: Chief Executive Officer.

In Favor: Creighton, Davis, Edwards, Fiskin, Hara (5)

e. (04:19:41) Authorization for the Chief Executive Officer to execute a settlement agreement resolving all claims in litigation related to the Port's claims as an interested party against Enron.

Request Document: Commission Agenda [Memorandum](#) dated October 22, 2007 from Craig Watson, General Counsel

Presenter: Mr. Watson

Motion for approval of Item 9e – Fiskin

Motion carried by the following vote:

In Favor: Creighton, Davis, Edwards, Fisken, Hara (5)

Staff authorized: Chief Executive Officer.

10. NEW BUSINESS

(04:21:09) Trip reports were given by Commissioners as follows:

Hara – Reported on recent Trade Development Alliance trip to Singapore, Kuala Lumpur and Bangkok.

Creighton – Reported on recent Tourism Promotion Mission in London and Paris.

2. EXECUTIVE SESSION

The Regular Meeting was then recessed to an executive session for approximately 5 minutes to discuss real estate matters.

11. ADJOURNMENT

The regular meeting was reconvened and immediately adjourned at 5:55 p.m.

(A digital audio recording of the meeting is available on the Port's website.)

Alec Fisken
Secretary