

Commissioners
John Creighton
Chair and President
Bill Bryant
Patricia Davis
Lloyd Hara
Gael Tarleton



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: 01:30.)

**APPROVED MINUTES
COMMISSION REGULAR MEETING JANUARY 22, 2008**

The Port of Seattle Commission met in a regular meeting at 3:30 p.m., Tuesday, January 22, 2008 in the International Conference Center, Airport Office Building, Seattle-Tacoma International Airport, Seattle, WA. Commissioners Bryant, Creighton, Davis, Hara and Tarleton were present.

1. CALL TO ORDER

The regular meeting was called to order at 3:30 p.m. by John Creighton, Chair and President.

2. EXECUTIVE SESSION pursuant to RCW 42.30.110

The regular meeting was immediately recessed to an executive session to discuss Real Estate matters for approximately forty-five minutes and reconvened to public session.

PLEDGE OF ALLEGIANCE

3. APPROVAL OF MINUTES

None.

4. SPECIAL ORDER OF BUSINESS

None.

5. UNANIMOUS CONSENT OF CALENDAR

None.

(00:01:08) Prior to items scheduled on the agenda, New Business was advanced agenda, and a presentation regarding Aviation Air Emissions was given by Ms. Debi Wagner and Mr. Christopher Cain. A copy of a document submitted titled, “The ABC’s of Solving Airport Congestion, Buying Emission Credit Offsets, And Communicating Honestly with the Public” is by reference, made a part of these minutes; is marked Exhibit ‘[A](#)’; and is on file in Port offices.

Within these minutes, all New Business Items are also listed below under ‘New Business’.

Before moving forward with agenda items, CEO Yoshitani publicly introduced Ms.Elaine Ko, the Port’s new Director of Social Responsibility.

Marine Item 7c was advanced on the agenda as follows:

7. MARINE ITEMS

c. (00:34:10) Request for Port Commission to adopt the Northwest Ports Clean Air Strategy.

Request Document: Commission Agenda [Memorandum](#) dated January 14, 2008 from Wayne Grotheer, Director, Seaport Finance and Asset Management and Stephanie Jones, Senior Manager, Seaport Environmental Programs and computer slide [presentation](#) titled, “Northwest Ports Clean Air Strategy”.

Presenters: Mr. Grotheer and Barbara Cole, Senior Environmental Program Manager

Topics Reviewed:

- Objective
- Partners
- Approach
- Stakeholder Consultation and Outreach
- Overview of Revisions
- Proposed Performance Measure
 - Ocean-Going Vessels
 - Cargo Handling Equipment
 - Rail
 - Trucks
 - Harbor Vessels
- Performance Management
- 2008 Implementation

Staff noted that they would return mid-year and at the end of the year with a status report. Commissioner Tarleton requested that within the mid-year report, regarding truck emissions, there would be included a draft strategy on how mandatory standards will be achieved by mid 2010.

Public Testimony regarding Item 7c was received as follows:

- Patti Ludwig, ACORN
- Michael McGrath, ACORN
- David DeBruyn, American Lung Association of the Northwest
- Chris Cain, Port Observer
- Jason Lewis
- Fred Felleman, Friends of the Earth
- Heather Trim, People for Puget Sound
- Heather Weiner, Change to Win
- Girit Workinen, Citizen
- Dave Kircher, Puget Sound Clean Air Agency
- Hassan Abdi, Citizen
- Sarah Rees, Department of Ecology
- Richard Albright, US Environmental Protection Agency
- Tesfaye Gudeta, Northwest Truck Driver Association
- Mike Moore, Pacific Merchant Shipping Association
- Rich Berkowitz
- John Hansen, Northwest Cruiseship Association
- Jenon Laurence, ACORN
- Dan Gatchet, West Coast Trucking
- Michael Alazar, Northwest Trucking Association
- Yosef Burke, Northwest Trucking Association
- Mercedes Mota de Orvelas, ACORN

Motion for approval of Item 7c – Tarleton

Motion carried by the following vote:

In Favor: Bryant, Creighton, Davis, Hara, Tarleton (5)

The agenda was returned to Marine Item 7a:

a. (02:15:39) Resolution No. 3594, First Reading. Expressing commitment to aligning Seaport environmental stewardship goals with the Port of Tacoma.

Request Document: Commission Agenda [Memorandum](#) dated January 14, 2008 from Wayne Grotheer, Director, Seaport Finance and Asset Management and Stephanie Jones, Senior Manager, Seaport Environmental Programs.

Presenter: Ms. Jones

Following Commission discussion, Commissioner Bryant commented on changes he had proposed to the resolution prior to the vote for First Reading. The proposed changes were incorporated into the resolution before it was presented to the Commission for a vote.

Motion for First Reading of Resolution No. 3594 – Bryant

Motion carried by the following vote:

In Favor: Bryant, Creighton, Davis, Hara, Tarleton (5)

Public Testimony regarding Resolution No. 3594 was received as follows:

- Fred Felleman, Friends of the Earth

The agenda was returned to Policy and Staff Briefings as follows:

6. POLICY AND STAFF BRIEFINGS

a. (02:28:56) Current status and upcoming next steps for Rental Car Facility at Seattle-Tacoma International Airport

Presentation Documents: Commission Agenda [Memorandum](#) dated January 14, 2008 from Michael Ehl, Director, Airport Operations and Jim Schone, Director, Aviation Business Development and computer slide [presentation](#) titled, “Rental Car Alternatives Briefing”.

Presenters: Mr. Ehl and Mr. Schone. Staff also introduced Ms. Lori Tallarico, Avis, who assisted in the presentation.

Topics reviewed:

- Rental Car Overview
- Project History
- Alternatives Overview
 - Remote (Rental Car Facility)
 - In-Terminal (Main Garage)
 - Off-Site
- Alternative Evaluation Summary
- Rental Car Industry Perspective

Commissioner Tarleton reiterate a statement she had made at the previous Commission meeting, saying that she could not, at this time, support a yes vote on any major construction project not related to public health or public safety.

CEO Yoshitani then recommended that staff impose a temporary moratorium on the Rental Car Facility project until issues stemming from the State audit are under control.

(02:58:24) Commissioner Hara proposed the following motion:

The Commission affirms a policy not to authorize major construction projects until the Commission is fully assured that the recommendations and the conditions found in the audit are fully addressed.

Accepted as a friendly amendment was Commissioner Tarleton's request to include allowing public health or safety projects on an emergency basis.

Following further Commission discussion, Commissioner Hara agreed to withdraw his motion subject to proposing the motion at the next meeting, in order to allow time to flesh out language regarding what constitutes a 'major' project.

(03:06:18) A separate motion was then proposed:

The Commission affirms CEO Yoshitani's recommendation to impose a temporary moratorium on the Rental Car Facility Project until conditions are met in dealing with the audit – Hara.

Motion carried by the following vote:

In Favor: Bryant, Creighton, Davis, Hara, Tarleton (5)

A ten minute recess was taken, and the meeting reconvened at 7:35.

b. Independent report inventorying Seattle-Tacoma International Airport Greenhouse Gas Emissions – **ITEM POSTPONED**

c. (03:20:27) Update on Audit Action Plan

CEO Yoshitani gave an update on his proposed Action Plan in response to the recent audit, noting that he would return with a more detailed report at the February 5 work session. He also commented that staff would report to the Commission at every regular Commission meeting over the next few months.

Mr. Yoshitani mentioned that teams are currently working on various subject matter aspects, including:

1. Centralizing procurement functions;
2. Identifying and implementing a variety of process improvements in capital planning, delivery, management and contracting;

3. Policy and Legal Oversight, including implementation of a new Fraud Governance policy and revision to the Port's existing Ethics policy, as well as recommending changes to Resolution; and
4. Planning for further follow-on audit activities using Internal Audit resources, and in some cases, external resources.

The agenda was returned to New Business as follows:

(03:26:36) Commissioner Creighton proposed, and read into the record, the following [motion](#):

The Port of Seattle Commission does hereby create a Special Investigative Committee whose objective will be to undertake an investigation of the findings of the State Auditor's 2007 Performance Audit of the Port of Seattle with respect to certain contracting policies, procedures and practices at the Port being vulnerable to fraud or with respect to which fraud may have occurred. Of specific concern are those findings suggesting:

- 1. Possible altering of invoices in circumvention of the Commission's authority and state law (Finding 1E);**
- 2. Possible awarding of contracts without competition or in circumvention of competition requirements (Findings 2A, B, C&D);**
- 3. Possible circumvention of the Small Works Roster Program (Finding 2F);**
- 4. Possible procurement violations and concealment of "unusual procurement" from the Commission (Finding 3A); and**
- 5. Possible project management and contract awarding conflicts (Finding 3D).**

The Committee will be comprised of Commissioners Tarleton and Bryant; Commissioner Bryant will chair the committee.

- The Committee may hire independent legal counsel and an independent fraud investigator. The Committee may hire a staff person for the duration of the investigation.**
- The Committee, the fraud investigator, legal counsel and staff will fully cooperate with federal authorities or any other agency investigating the Port.**
- The Committee may, as a result of this investigation, recommend to the full Commission how the Port should strengthen controls in areas deemed vulnerable to fraud and may recommend control mechanisms designed to deter, prevent and detect fraud.**
- The Committee shall provide the full Commission with a proposed budget and timeline within thirty days of the passage of this motion, and shall keep the full Commission and the Chief Executive Officer apprised of the Committee's progress in public session of the Commission. At the conclusion of the investigation, the Committee shall report its findings and the conclusions to the Commission. The Committee will disband upon completion of its objective.**

Motion carried by the following vote:

In Favor: Bryant, Creighton, Davis, Hara, Tarleton (5)

(03:43:52) Commissioner Hara introduced the following [motion](#):

The Commission does hereby create and fund a new staff position to support the Commission and is initially assigned to support the Audit Committee, and to act as a budget analyst during Port budget deliberations. The Human Resources Director will consult with the Audit Committee Chair and the Commission President regarding the job description and position posting.

Following Commission discussion, Commissioner Creighton offered a revised (amended) motion as follows:

The Commission does hereby authorize a new staff position to support the Commission and is initially assigned to support the Audit Committee, and to act as a budget analyst during Port budget deliberations, subject to the Human Resources Director consulting with the Audit Committee Chair and the Commission President and the new Director of Commission Services regarding the job description and position posting.

Motion for approval of amended motion carried by the following vote:

In Favor: Bryant, Creighton, Tarleton (3)

Opposed: Davis, Hara (2)

The agenda was returned to Marine Items as follows:

b. (04:06:38) Authorization for Terminal 25 South Redevelopment Project in the amount of \$250,000.

Request Document: Commission Agenda [Memorandum](#) dated January 4, 2008 from Michael Burke, Director, Container Operations and Tim Leonard, Seaport Capital Construction Manager.

Presenters: Mr. Burke and Mr. Leonard

Motion for approval of Item 7b – Davis

Motion carried by the following vote:

In Favor: Bryant, Creighton, Davis, Hara, Tarleton (5)

8. AVIATION ITEMS

- a.** Project-wide authorization for upgrade of HVAC system in Main Terminal Administration Building at Seattle-Tacoma International Airport for estimated cost of \$1,350,000 – **ITEM WITHDRAWN**

9. GENERAL BUSINESS

- a. (04:10:25) Authorization to execute Professional Services Agreement for video taping of Commission Meetings for an amount not to exceed \$187,200.**

Request Document: Commission Agenda [Memorandum](#) dated January 15, 2008 from Jane Kilburn, Director, Public Affairs.

Presenter: Nancy Blanton, Manager, Communications, Public Affairs

Motion for approval of Item 9a – Hara

Motion carried by the following vote:

In Favor: Bryant, Creighton, Davis, Hara, Tarleton, (5)

- b.** Update and possible action of State Legislative Program – **ITEM WITHDRAWN**

- c. (04:14:32) Request for motion authorizing sale of Port personal property by the Chief Executive Officer.**

Request Document: Commission Agenda [Memorandum](#) dated January 14, 2008 from Craig Watson, General Counsel

Motion for approval of Item 9c – Davis

Motion carried by the following vote:

In Favor: Bryant, Creighton, Davis, Hara, Tarleton (5)

- d. (04:16:19) Authorization to extend contract for federal government advocacy services through December 31, 2008 at a cost not to exceed \$200,000.**

Request Document: Commission Agenda [Memorandum](#) dated January 22, 2008 from Kurt Beckett, Director, External Affairs and Henry Yates, Federal Government Relations Manager.

Presenter: Mr. Beckett

Motion for approval of Item 9d – Davis

Motions carried by the following vote:

In Favor: Bryant, Creighton, Davis, Hara, Tarleton (5)

10. NEW BUSINESS

- a. Presentation regarding Aviation Air Emissions.**
- b. Commission motion regarding establishment of special committee to investigate fraud vulnerability in Port contracting policies, procedures and practices.**
- c. Commission motion regarding creation and funding of new position to support the Port of Seattle Commission.**

11. ADJOURNMENT

There being no further business, the meeting was adjourned at 8:36 p.m.

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

Bill Bryant
Secretary