



Commissioners

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

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Tay Yoshitani
Chief Executive Officer

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 SPECIAL MEETING MAY 31, 2007**

The Port of Seattle Commission met in a regular meeting at 12:00 p.m., Thursday, May 31, 2007 in the Commission Chambers at Pier 69, 2711 Alaskan Way, Seattle, WA. Commissioners Creighton, Davis, Edwards, Fisker and Hara were present.

1. CALL TO ORDER

The regular meeting was called to order at 12:00 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 legal, real estate, public contract and personnel matters for approximately one hour, and reconvened to open public session.

PLEDGE OF ALLEGIANCE

3. APPROVAL OF MINUTES

Motion for the approval of minutes for the regular meeting of April 24 and the special meeting of May 10, 2007 – Edwards

Motion carried by the following vote:

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

4. SPECIAL ORDER OF BUSINESS

None.

5. UNANIMOUS CONSENT CALENDAR

None.

6. POLICY AND STAFF BRIEFINGS

a. (00:01:53) Update on Terminal 30 Container Reactivation and Terminal 91 Cruise Terminal Relocation Project

Presentation Document: Commission Agenda [Memorandum](#) dated May 22, 2007 from Michael Burke, Director, Cruise and Cargo Services; and Janice Zahn, Seaport Capital Construction Project Manager.

Along with the briefing on status of Terminal 30 and Terminal 91 projects by Ms. Zahn, Mr. Burke gave an update on a recent announcement regarding China Ocean Shipping Company's (COSCO) plan for calls at Port of Prince Rupert.

Mr. Burke also provided information regarding the Transportation Worker Identification Card (TWIC) implementation plan.

Public Testimony regarding Item 6a as follows:

- Fred Felleman, Friends of the Earth

Aviation Items were advanced on the agenda as follows:

8. AVIATION

a. (00:26:34) Authorization for acquisition of [Des Moines Way Dental Clinic](#), including administration and overhead, for an estimated cost of \$754,700.

Request Document: Commission Agenda [Memorandum](#) dated March 27, 2007 from Jim Schone, Director, Aviation Business Development; Mark Griffin, Manager, Port-wide Real Estate; and W. Allan Royal, Manager, Aviation Property Acquisition and Relocation.

Presenters: Mr. Griffin and Mr. Royal

Motion for approval of Item 8a – Edwards

Motion carried by the following vote:

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

Staff authorized: Managing Director, Aviation Division; Director, Aviation Business Development; and Manager, Aviation Property Acquisition and Relocation

b. (00:29:39) Authorization to execute necessary documents for the relocation of tenants, legal and administrative costs of certain real property known as the [James and Doris Cassan Property](#), for an additional cost of \$355,000, for a total authorization of \$9,828,600.

Request Document: Commission Agenda [Memorandum](#) dated May 23, 2007 from James R. Schone, Director, Aviation Business Development; and W. Allan Royal, Manager, Acquisitions and Relocation

Motion for approval of Item 8b – Davis

Motion carried by the following vote:

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

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

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

6b. (00:31:47) Property Insurance Update

Presentation Documents: Commission Agenda [Memorandum](#) dated May 22, 2007 from Dan Thomas, Chief Financial Officer; and Jeff Hollingsworth, Risk Manager; and computer slide [presentation](#) entitled, “Property Insurance Update / Risk Management”

Presenter: Mr. Hollingsworth

Topics reviewed:

- Property Program Cost Re-Cap
- Aviation Cost of Risk 2006
- Seaport Cost of Risk 2006
- Property Insurance Coverage
- Current Structure of Property Program
- Cost Factors
- Aviation Insurable Values
- Seaport Insurable Values
- Major Property Losses Excluding Nisqually Earthquake
- 2001 Nisqually Earthquake Loss
- Earthquake Insurance Challenges
- Other Property Renewal Challenges

Commissioner Edwards requested to see more detail regarding the actual replacement value of Airport property.

Following discussion of Seaport property values, Commissioner Edwards requested staff provide a spreadsheet of the breakdown of the property values to enable a more clear understanding.

Staff agreed to come back to Commission with information regarding next steps for insurance options and plans for coverage.

A five minute recess was suggested and approved.

The meeting recessed at 2:20 p.m. for approximately five minutes and was reconvened to open public session at 2:26 p.m.

c. Briefing on Possible Outsourcing of Payroll and Certain Human Resource Functions – ITEM WITHDRAWN

d. (01:13:01) Summary of Port Police E-mail Investigation

Presentation Document: Commission Agenda [Memorandum](#) dated May 24, 2007 from Clare Gallagher, Director of Commission Services.

Item introduced by Commissioner Creighton and addressed by Port Commissioners and CEO Tay Yoshitani.

Commissioner Creighton summarized the recent and ongoing investigation regarding email within the Port Police Department, and reviewed Commission direction to Port CEO with respect to necessary measures moving forward.

Commissioner Creighton commented on the establishment of an expert advisory panel to include members as follows:

Karen Bates, former superintendent, Lake Washington School District; Liz Ford, Labor Law Attorney; James Kelly, President and CEO, Urban League; Gil Kerlikowski, Chief of Police, Seattle; Dorry Elias-Garcia, Executive Director, Minority Executive Directors Coalition; and Karen Yoshitomi, Japanese American Citizens League.

Commission direction for further action was given to CEO Yoshitani and is included in the motion document signed by all Commissioners on this date. A copy of this document is, by reference, made a part of these minutes; is marked Exhibit "[A](#)"; and is on file in Port offices.

CEO Yoshitani commented on how he proposed to move forward with the issue and noted that he would include this as part of his goals and objectives for the upcoming year.

Mr. Yoshitani noted that at he would return at the June 12 Commission meeting with a specific plan regarding transforming the Port police department.

Mr. Yoshitani introduced staff members Linda Strout, Deputy CEO; who spoke regarding the police email issues. With Ms. Strout was John Okamoto, Chief Administrative Officer; and Craig Watson, General Counsel.

Comments were also given by Gale Evans, Deputy Police Chief.

**Motion to approve [‘Report on Investigation of Inappropriate Police Emails’](#) –
Edwards**

Motion carried by the following vote:

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

Public testimony regarding Item 6d as follows:

- Spencer Thal, Teamsters, Local 117

9. GENERAL BUSINESS

None.

10. NEW BUSINESS

None.

Prior to recessing to Executive Session, Commissioner Davis suggested it would be helpful to have reports on recent Commission travel added to a Commission agenda in the near future.

2. EXECUTIVE SESSION

The regular meeting was recessed to an executive session for approximately two hours to discuss legal, real estate and personnel matters.

11. ADJOURNMENT

The regular meeting was reconvened and immediately adjourned at 4:55 p.m.

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

Alec Fisken
Secretary