

Commissioners
John Creighton
Chair and President
Patricia Davis
Bob Edwards
Alec Fisken
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: 01:30.)

**APPROVED MINUTES
COMMISSION SPECIAL MEETING NOVEMBER 20, 2007**

The Port of Seattle Commission met in a special meeting at 12:00 p.m., Tuesday, November 20, 2007 in the Commission Chambers at Pier 69, 2711 Alaskan Way, Seattle, WA. Commissioners Creighton, Davis, Edwards, Fisken and Hara were present.

1. CALL TO ORDER

The regular meeting was called to order at 12:30 p.m. by John Creighton, Chair and President.

2. EXECUTIVE SESSION pursuant to RCW 42.30.110

The special meeting was immediately recessed to an executive session to discuss legal matters for approximately fifty minutes, and reconvened to public session at 1:20 p.m.

PLEDGE OF ALLEGIANCE

3. APPROVAL OF MINUTES

(00:01:00) Motion for approval of the minutes of September 11, 2007 regular meeting; September 17, 2007 special work session; and October 16, 2007 special meeting – Fisken.

Motion carried by the following vote:

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

Motion for approval of the minutes of the September 25, 2007 regular meeting – Edwards.

In Favor: Creighton, Davis, Edwards, Fisken (4)

Commissioner Hara was absent from the subject meeting.

4. SPECIAL ORDER OF BUSINESS

None.

5. UNANIMOUS CONSENT OF CALENDAR

None.

Aviation item advanced on the agenda as follows:

8. AVIATION

a. (00:02:18) Authorization to execute an amendment to the 2004 Memorandum of Agreement between the Port of Seattle and Highline School District allowing flexibility to allocate the Port's contribution in a manner that enhances the success of the Aviation High School.

Request Document: Commission Agenda [Memorandum](#) dated November 12, 2007 from Diane Summerhays, Director, Community Development

Presenters: Ms. Summerhays and Reba Gilman, CEO and Principal of Aviation High School

Motion for approval of Item 8a – Edwards

Motions carried by the following vote:

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

Staff authorized: Managing Director, Aviation Division

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

6. POLICY AND STAFF BRIEFING

a. (00:09:55) Draft Plan of Finance 2008 - 2012

Presentation Documents: Commission Agenda [Memorandum](#) dated November 13, 2007 from Elizabeth Morrison, Senior Manager, Corporate Finance and Tonya Shum,

Assistant Manager, Corporate Finance and computer slide [presentation](#) titled, “Draft Plan of Finance 2008-2012.”

Presenters: Ms. Morrison and Ms. Shum

Ms. Shum pointed out a correction on slide #5 of the presentation, stating that it should read “Seaport and Real Estate overall revenue bond coverage of 1.5x”

Topics reviewed:

- Draft Plan of Finance
 - Introduction
 - Airport Funding Uses
 - Non-Airport Funding Uses
 - Funding Uses – Items Not Included
 - Debt Service Coverage on Revenue Bond Debt
 - Aviation Funding
 - Seaport and Real Estate Funding
- 2008 Tax Levy
 - Introduction
 - Assessed Value
 - Tax Levy Amount
 - Levy Use Policy
 - Tax Levy Sources and Uses
 - Levy Expense Uses
 - Levy Funded Projects
 - General Obligation Bonds
 - Maximum Levy
 - History of Port Levy
- 2008 Finance Initiatives

7. MARINE ITEMS

a. (00:24:19) Authorization to execute a Lease Termination Agreement with Shippers Transport Express, Inc. for the Terminal 106 West property.

Request Document: Commission Agenda [Memorandum](#) dated October 31, 2007 from Mike Burke, Director, Cargo & Cruise Services and Mike Campagnaro, Acting Manager, Seaport Real Estate.

Presenter: Mr. Burke

Motion for approval of Item 7a – Edwards

Motion carried by the following vote:

Staff authorized: Chief Executive Officer

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

b. (00:26:02) Project-wide authorization for Department of Homeland Security Port Security Grant Program (Round 7 and Round 7 Supplemental) and to disburse grant funds in the amounts of \$5,258,078 and \$6,699,253 respectively.

Request Document: Commission Agenda [Memorandum](#) dated November 15, 2007 from Arif Ghouse, Director, Seaport Security

Presenter: Mr. Ghouse

Motion for approval of Item 7b – Hara

Motion carried by the following vote:

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

Staff authorized: Managing Director, Seaport Division; Director, Seaport Security; Seaport Project Manager; Director, Engineering Services; and Manager, Accounting and Procurement Services.

8. AVIATION ITEMS

b. (00:35:50) Project-wide authorization for purchase of [8 Retail Merchandising Units](#) (RMU) and construction of utilities to support 16 RMU locations at Seattle-Tacoma International Airport for estimated cost of \$1,209,000.

Request Document: Commission Agenda [Memorandum](#) dated November 8, 2007 from James R. Schone, Director, Aviation Business Development and Robert F. Riley, Director, Aviation Capital Improvement Program

Presenters: Amy Shaw, Manager, Concessions Management and John Parraz, Capital Construction Project Manager

Motion for approval of Item 8b – Davis

Motion carried by the following vote:

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

Staff authorized: Managing Director, Aviation Division; Deputy Managing Director, Aviation Development and Finance; Director, Aviation Business Development; Director, Airport Operations; Director, Aviation Capital Improvement Program; Director,

Engineering Services; Manager, Aviation Properties; Senior Manger, Procurement Services; General Manager, Port Construction Services; and the Project Manger.

c. (00:56:41) Project-wide authorization for purchase of 3 Retail Merchandising Units (RMU); and for providing the utilities for RMU locations, and utilities for a new restaurant/bar in Gina Marie Lindsey Arrivals Hall at Seattle-Tacoma International Airport for estimated cost of \$1,033,000.

Request Document: Commission Agenda [Memorandum](#) dated November 9, 2007 from James R. Schone, Director, Aviation Business Development and Robert F. Riley, Director, Aviation Capital Improvement Program.

Presenters: Amy Shaw, Manager, Concessions Management and John Parraz, Capital Construction Project Manager

Motion for approval of Item 8c – Hara

Motion carried by the following vote:

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

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

9. GENERAL BUSINESS

a. (00:10:10) Project-wide authorization for Budget System Replacement Project for total project cost of \$268,000.

Request Document: Commission Agenda [Memorandum](#) dated November 14, 2007 from Peter Garlock, Chief Information Officer

Presenter: Mr. Garlock

Motion for approval of Item 9a – Davis

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

b. (01:13:14) Resolutions Number 3590 and 3591; Second Reading and Final Passage. Adopting the final budget of the Port of Seattle for the year 2008; and directing the King County Council as to the specific sums to be levied on all assessed property of the Port of Seattle District in the year 2008.

Request Document: Commission Agenda [Memorandum](#) dated November 14, 2007 from Dwight Rives, Corporate Budget Manager and [document](#) providing certain updated budget information.

Presenter: Mr. Rives

Motion for approval of Resolution No. 3590 – Davis

Motion to amend Resolution No. 3590, as follows, by Commissioner Hara:

Regarding the amount of taxes to be levied, the amount of \$78,119,004 be replaced by \$75,899,369 in both instances mentioned in the proposed resolution.

Commissioner Creighton requested Commissioner Hara to provide background on the amendment, and how the millage rate would be affected. Commissioner Hara stated that it would have an affect on Resolution No. 3591, and commented that there would be a proposed amendment to that as well.

Motion to amend Resolution No. 3590 carried as follows:

In Favor: Creighton, Fisker, Hara (3)

Opposed: Davis, Edwards (2)

The Port Commission meeting was opened to a Public Hearing. Following no comments from the public, the Public Hearing was closed.

Commissioner Davis withdrew her motion for approval of Resolution No. 3590.

Motion for Second Reading and Final Passage of Resolution No. 3590, as amended – Hara

Motion carried by the following vote:

In Favor: Creighton, Fisker, Hara (3)

Opposed: Davis, Edwards (2)

Motion for approval of Resolution No. 3591 – Hara

Commissioner Hara then offered an amendment to Resolution No. 3591 as follows:

In terms of the regular levy amount of \$78,119,004, the resolution would now read \$75,899,369, and would represent a lower rate of approximately \$0.22.5 per thousand of assessed value and would include an increase of 10.3% over the previous year.

Motion for amendment to Resolution No. 3591 – Hara

The meeting was opened as a Public Hearing. Following no comments from the public, the Public Hearing was closed.

Motion carried by the following vote:

In Favor: Creighton, Fisken, Hara (3)

Opposed: Davis, Edwards (2)

Motion for approval of Resolution 3591, as amended carried by the following vote:

In Favor: Creighton, Fisken, Hara (3)

Opposed: Davis, Edwards (2)

c. (01:41:48) Resolution No. 3592; First Reading. 2008 Salary and Benefit Resolution

Request Document: Commission Agenda [Memorandum](#) dated November 14, 2007 from David Henderson, Total Compensation Manager

Presenter: Mr. Henderson

Following discussion, a suggestion was made by Commissioner Davis to have a full briefing to Commission in public session on the salary and benefit policies at the Port.

Commission Fisken commented that although a briefing of these issues would be helpful, the issues should be addressed by the CEO and the management team rather than the Commission.

Motion for approval of Resolution 3592, First Reading – Fisken

Motion carried by the following vote:

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

d. (02:02:01) Request for approval of settlement agreement with Timothy and Kelly Nelson Related to personal injuries suffered in the course of construction at Seattle-Tacoma International Airport Fire Department.

Request Document: Commission Agenda [Memorandum](#) dated November 5, 2007 from Paul Binting, Senior Port Counsel and Larry McFadden, General Manager, Port Construction Services

Presenter: Mr. Binting

Motion for approval of Item 9d – Fisken

Motion carried by the following vote:

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

10. NEW BUSINESS

None.

11. ADJOURNMENT

There being no further business, the meeting was adjourned at 3:22 p.m.

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

Alec Fisken
Secretary