



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/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 DECEMBER 15, 2008**

The Port of Seattle Commission met in a special meeting at 3:00 p.m., Monday, December 15, 2008 in the Commission Chambers at Pier 69, 2711 Alaskan Way, Seattle, WA. Commissioners Bryant, Creighton, Davis, Hara and Tarleton were present.

1. CALL TO ORDER

The regular meeting was called to order at 3:00 p.m. by John Creighton, Commission President.

2. EXECUTIVE SESSION pursuant to RCW 42.30.110

The regular meeting was immediately recessed to an executive session to discuss Legal Risk and Personnel matters for approximately one hour and reconvened to public session.

PLEDGE OF ALLEGIANCE

3. APPROVAL OF MINUTES

Approval of minutes was deferred for the special work session of October 21, the special meeting of October 27, and the regular meeting of October 28, 2008.

4. SPECIAL ORDER OF BUSINESS

None.

5. UNANIMOUS CONSENT CALENDAR

None.

New Business Item 12a was advanced on the agenda as follows:

12. NEW BUSINESS

a. (00:01:18) Viaduct Discussion and Possible Action

Commissioner Creighton commented on a [motion](#) that was being presented regarding the Alaskan Way Viaduct Replacement option which had recently been proposed, noting that there were amendments to the draft motion which had earlier been available. It was noted that comments of the revised proposed motion was now available to the public.

Commissioner Bryant read into the record the statement in support of the motion, including revisions. **The motion, with revisions was proposed by Commissioner Bryant as follows:**

“The Seattle Port Commission hereby directs that the Port send a letter to the Governor of the State of Washington, the Mayor of Seattle, and the King County Executive expressing the Commission’s recommendation that a Bored Tunnel Sub-surface Hybrid option be retained for further study as part of the Alaskan Way Viaduct and Seawall replacement project.”

A computer slide [presentation](#) was provided by Geri Poor, Regional Transportation Manager, to provide updated information since the last Viaduct presentation to the Commission, on December 9, 2008.

Public comment regarding Item 12a was received from the following individuals:

- Lily Wilson Codega, King County Labor Council. Ms. Wilson Codega spoke in favor of the Commission’s recommendation, and also noted serious concern over both the aerial and surface options.
- Fred Felleman, Friends of the Earth. Mr. Felleman commended the Commission for their proposed option, and commented that he hoped the option would be held at a high level of priority.

Motion carried, as proposed by Commissioner Bryant:

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

Policy and Staff Briefing Items were advanced on the agenda as follows:

6. POLICY AND STAFF BRIEFINGS

e. (00:20:43) Update on the Performance Audit Report of Port of Seattle Construction Management

Presentation document: Commission agenda [memorandum](#) dated December 10, 2008 from Dakota Chamberlain, Manager, Seaport Project Management

Presenter: Mr. Chamberlain

Mr. Chamberlain provided to the Commission an updated report to issues being addressed in response to the State Auditor's Performance Audit.

b. (00:26:11) Terminal 30 and Terminal 91 – Financial and Schedule Status

Presentation documents: Commission agenda [memorandum](#) dated December 10, 2008, [attachment](#), and [table](#) from Michael Burke, Director, Container Operations and Dakota Chamberlain, Manager, Seaport Project Management.

Presenter: Mr. Chamberlain

Mr. Chamberlain commented on ongoing work at the T30/91 Project, and noted the further information would be presented to the Commission at upcoming meetings.

a. (00:30:22) Briefing on the Port's Zero Tolerance Policy; Fraud Policy; the Policy related to Employee Standards of Performance and Conduct, Corrective Action and Discipline; and the Ethics Policies for Employees and Consultants.

Commission agenda [memorandum](#) dated December 11, 2008 from Mary Gin Kennedy, Director of Commission Services

CEO Yoshitani provided remarks and commented on disciplinary measures he had taken after reviewing the Report of the Special Investigative Team, and clarified the Port's Zero Tolerance Policy for fraud. Noting a recommendation in the report that the Port establish a clear code of conduct and an ethics-based compliance program, Mr. Yoshitani stated that he had directed staff to provide to him by February 15, 2009, a plan and options for implementing this recommendation. Mr. Yoshitani said that he planned to return to the Commission in January to report on additional next steps and specifics on the action plan.

Following comments by Commissioners, Commissioner Davis suggested that in the near future, there be further discussion of the categories that were mentioned by Mr. Yoshitani.

Public Comment regarding Item 6a was received by the following individual:

- Bruce Carter. Mr. Carter spoke in favor of the Port's Zero Tolerance Policy, and commended the staff for their intent to strengthen the policy in response to issues which had arisen during the previous year.

Capital Development Division Items were advanced on the agenda as follows:

9. CAPITAL DEVELOPMENT

- a. (00:58:27) Request for authorization to suspend most work under the contract for construction of the Consolidated Rental Car Facility (CRCF) for an indefinite period, not to exceed one year.**

Request document: Commission agenda [memorandum](#) dated December 9, 2008 from Jim Schone, Director, Aviation Business Development; George England, Program Leader, Laneside/Stormwater; and Elizabeth Morrison, Senior Manager, Corporate Finance.

Presenters: Mark Reis, Managing Director, Aviation Division Ms. Morrison, and Ralph Graves, Managing Director, Capital Development Division

Mr. Reis emphasized that the request being made is to temporarily suspend the CRCF Project, not to terminate the project nor terminate the contractor. The recommendation is to suspend the project pending the identification of long-term financing.

Ms. Morrison provided background on the financial aspects of the project.

Staff introduced Dick Schober of Seattle Northwest Securities, who provided more detailed information on the current bond market.

Commissioner Bryant commented that he was very uncomfortable going forward with any intermediate funding package and wanted to be looking at a long-term solution.

Staff and Commission discussion followed regarding the level of risk the Commission is willing to take for funding solutions.

Public Comment regarding Item 9a was received from the following individuals:

- Lee Nugent, Seattle Building Trades. Mr. Nugent endorsed the suspension of work, but also commented that there is no way to predict what future construction costs may be.
- Pat Francis. Mr. Francis read into the record a letter he had written to Senator Patty Murray, dated December 15, 2008. A copy of the letter was provided, is by reference made a part of these minutes, is marked Exhibit 'A,' and is on file in Port offices. Mr. Francis' letter noted that he believe the RCF Project would be an ideal candidate for financing through a recovery program currently being implemented at the federal government level.
- Jack Beaudoin, GM, Turner Construction Co. Mr. Beaudoin commented that the sooner the project is able to get back on track, the lower the labor costs will be.
- John Little, Northwest Carpenters Union. Mr. Little commented on the union's profound disappointment in the need to suspend the RCF project.

- Chris Elwell, Seattle Building Trades. Mr. Elwell spoke about a desire to work with staff to establish creative financing methods for the RCF Project.
- Lorie Tallarico, Avis Budget Rental Car Co. Ms Tallarico expressed extreme concern about the consideration of a shut down of the RCF Project.
- Dale Bright. A written copy of comments was submitted by Mr. Bright; is by reference, made a part of these minutes; is marked Exhibit 'B;' and is on file in Port offices. Mr. Bright's comments focused on the need for the Port to look for alternative methods of funding for the RCF Project.

Motion for approval of Item 9a – Hara

Motion carried by the following vote:

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

- b. (02:35:02) Request for authorization of three professional service contracts related to the Rental Car Facility, including 1) Rental Car Facility Project Management Services; 2) Bus Maintenance Facility Commissioning Services, and 3) Aviation Capital Improvement Program Project Controls Services.**

Request document: Commission agenda [memorandum](#) dated December 5, 2008 from Bob Riley, Director, Aviation Capital Improvement Program; Janice Marsters, Assistant Director, Aviation Capital Improvement Program; and George England, Program Leader, Aviation Capital Improvement Program

Presenters: Ms. Marsters and Mr. England

Motion for approval of Item 9b – Bryant

Motion carried by the following vote:

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

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

6. POLICY AND STAFF BRIEFINGS

- c. (02:41:43) Capital Improvement Projects Report for Third Quarter, 2008**

Presentation documents: Commission agenda [memorandum](#) dated November 20, 2008 from Ralph Graves, Managing Director, Capital Development Division; computer slide [presentation](#); and third quarter [report](#).

Presenter: Mr. Graves

Topics reviewed included the overall status of project and reportable variances of projects for the Aviation, Seaport, Capital Development Divisions as well as the Information & Communication Technology Department

d. (02:48:48) Staff Briefing on Pier 66 Outer Berth Activity

Presentation document: Commission agenda [memorandum](#) dated December 10, 2008 from Charlie Sheldon, Managing Director, Seaport Division

Presenter: Mr. Sheldon

Mr. Sheldon provided information as had been requested by Commissioners on the status of the Matson ship currently moored at Pier 66.

Direction was given for staff to return with more concrete ideas on how the Matson vessel might be moved from its current location early in the year.

Public comment regarding Item 6d was received from the following individuals:

- Chris Sullivan, General Manager, Marriott Hotel. Mr. Sullivan expressed displeasure at the mooring of the Matson ship at Pier 66, commenting on resulting negative impacts on business at the Marriott.
- Jeff Arnot, Anthony's Restaurants. Mr. Arnot stated his displeasure about the Matson ship being moored at Pier 66, noting a loss of business at the restaurant as a result of the ship's current location.

A five-minute recess was called and the meeting was reconvened to open public session at 7:30 p.m.

7. MARINE ITEMS

a. (03:19:42) Request for authorization to spend reserve funds in the amount of \$10,396,000 for the environmental remediation program for Seaport, Real Estate and Airport for 2009.

Request document: Commission agenda [memorandum](#) dated November 18, 2008 from Stephanie Jones, Senior Manager, Seaport Environmental Programs and Elizabeth Leavitt, Director, Aviation Environmental Programs

Presenters: Ms. Jones and Ms. Leavitt

Motion for approval of Item 7a – Davis

Motion carried by the following vote:

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

8. AVIATION ITEMS

None.

10. REAL ESTATE

None.

11. GENERAL BUSINESS

a. (03:22:37) Resolution No. 3609, Second Reading and Final Passage. 2009 Salary and Benefit Resolution.

Request document: Commission agenda [memorandum](#) dated December 11, 2008 from David Henderson, Senior Manager, Total Compensation

Presenter: Mr. Henderson

Mr. Henderson informed the Commission on changes to Exhibit 'A' of the resolution, which resulted from suggestions made by the Commission at First Reading. He also provided an update on the Port's experience with employee's called to active military duty over the last seven years

General Counsel clarified that although there were clerical changes to the exhibit to the Resolution, regarding ranges of pay, no amendments were necessary to the Resolution itself from First Reading. He also noted that the changes were called out at First Reading, further clarifying that an amendment was not needed.

Motion for Second Reading and Final Passage of Resolution No. 3609 – Davis

Motion carried by the following vote:

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

b. (03:33:00) Request for Commission to 1) grant an exception from competition for international marketing services for Economic, Business & Trade Development, and 2) authorize the Chief Executive Officer to enter into service agreements with four firms for the contract duration not to exceed five years.

Request document: Commission agenda memorandum dated December 15, 2008 from Paul Isaki, Director, Economic, Business & Trade Development

Presenter: Mr. Isaki

Following Commission discussion, Commissioner Hara clarified that in the future this may be a contract which would need to go out to bid.

Motion to grant exception for international marketing services – Tarleton

Motion carried by the following vote:

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

Motion for CEO to enter into service agreements with four firms for the contract duration not to exceed five years – Davis

Motion carried by the following vote:

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

12. NEW BUSINESS

Commissioners Davis and Creighton reported on a recent event at the Airport called “The Berlin Airlift,” which they both attended.

13. ADJOURNMENT

There being no further business, the meeting was adjourned at 8:05 p.m.

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

Bill Bryant
Secretary