

MOTION
OF THE PORT OF SEATTLE COMMISSION
APPOINTING STEPHEN P. METRUCK AS PORT OF SEATTLE
EXECUTIVE DIRECTOR

ADOPTED
DECEMBER 19, 2017

TEXT OF THE MOTION

It is hereby moved by the Port Commission of the Port of Seattle that Stephen P. Metruck be appointed as the Port of Seattle Executive Director. Commission President Elect, Courtney Gregoire, is authorized to sign an employment agreement of up to three years with Mr. Metruck. The employment agreement includes an annual base salary of \$350,000, provisions for performance review and pay increases and a standard benefits package available to Port employees. A copy of the employment agreement is included as Attachment A to this motion.

STATEMENT IN SUPPORT OF THE MOTION

The Executive Director of the Port of Seattle is charged with leading a diverse organization to foster inclusive economic growth in the Pacific Northwest.

In a time of profound social and economic change, the Executive Director must engage with the Port Commission to develop strategic pathways to fulfill the Century Agenda goals of creating 100,000 jobs through economic growth while reducing our environmental footprint and consistent with our values of social responsibility.

The Executive Director must share the Port's values of fostering broadly shared economic opportunity, stewardship of the public's environmental and financial resources, and community partnership. Furthermore, our Executive Director must share the Port commitment to conduct business transparently and hold ourselves accountable.

To accomplish these goals, the Executive Director must have the skills and experience to manage the Port's rapidly growing aviation, maritime, and economic development operations. Success will be measured not only by economic performance but also by increased diversity, equality, sensitivity to the environment, and the impacts on the community.

Rear Admiral Stephen Metruck, USCG, Retired, is uniquely qualified to fulfill these objectives as the next Executive Director of the Port of Seattle. In his 34 years of service, including being Commander of Sector Puget Sound and numerous other Coast Guard commands around the

U.S., Metruck has demonstrated leadership of complex organizations responsible for supporting trade and commerce with diverse constituencies.

Most recently, Admiral Metruck was Commander of the Mid-Atlantic Region, overseeing 3,600 military and civilian personnel. He also served as Chief Financial Officer of the U.S. Coast Guard where he was responsible for the planning and execution of the \$10 billion budget. In previous assignments, he served as an advisor in Congress and with the United Nations.

He has a strong commitment to the values of economic opportunity, environmental sustainability, and equity that he embraces with humility and deep integrity.

Metruck is the final candidate for the position following an extensive recruitment and interview process. The Port Commission conducted broad outreach with employees and community leaders to identify the qualities and experience necessary for the Executive Director. The Commission considered 35 qualified candidates and the last stage of this rigorous and transparent process included diverse roundtable discussions with the final candidate and Port employees, community members, and Port stakeholders.

Based on his skills, commitment and enthusiasm, Stephen Metruck is poised to be the next great leader of the Port of Seattle.

EXECUTIVE DIRECTOR EMPLOYMENT AGREEMENT

This **EMPLOYMENT AGREEMENT** (the "Agreement") is made effective as of the day of December 19, 2017 by and between the **PORT COMMISSION OF THE PORT OF SEATTLE**, a municipal corporation of the State of Washington ("Commission") and Adm. Stephen Metruck (Ret.) ("Executive Director") and collectively, The Parties.

1. Compensation, Benefits and Reimbursements.

(a) **Annual Base Salary.** In consideration for his service under the terms of this Agreement, the Port shall pay to Executive Director an annual base salary ("Base Salary"), which amount shall be paid in installments in accordance with the normal payroll payment practices of the Port and shall be subject to such deductions and withholding as are required by law and by the policies of the Port, from time to time in effect. The Base Salary shall be at the rate of Three Hundred Fifty Thousand Dollars (\$350,000.00) per year.

(b) **Performance Evaluation.** The Commission shall annually review and evaluate the performance of the Executive Director in accordance with the goals and objectives developed jointly by the Commission and the Executive Director prior to March 1 of each calendar year starting in 2019. The Executive Director shall be eligible for Base Salary increases and other compensation based on the Commissioners' evaluation of Executive Director's performance. The Executive Director shall be eligible for a performance base pay increase effective March 1, 2019 and March 1, 2020, consistent with the performance review cycle and common review date of non-represented Port employees. Any performance based increases and/or compensation shall be set by the Commission in public session and subject to public disclosure.

(c) **Standard Benefits.** In addition to the salary and other specifically described benefits payable to Executive Director hereunder, the Executive Director shall receive such benefits as are available to employees through the Salary and Benefits Resolution as approved by the Port of Seattle Commission, including, without limitation, life insurance, long term disability insurance, health coverage including medical, vision, pharmacy and dental, and sick leave; provided, *however*, that to the extent there is a conflict between the terms of this Agreement and the Commission's standard employee benefits,

the terms of this Agreement shall govern. In addition to standard benefits provided in this section, the Port shall also provide benefits as described in Attachment A and incorporated into this Agreement.

(d) **Relocation.** The Port shall provide relocation expense reimbursement as described in Attachment B and incorporated into this Agreement to assist the Executive Director in moving his residence from outside the State of Washington to the Seattle area.

(e) **Salary & Benefits Resolution.** The Executive Director is subject to the terms and conditions of the Port's current Salary & Benefits Resolution and all subsequent salary and benefits resolutions; however, any terms, conditions, and adjustments to pay or salary range for the Executive Director adopted in open session shall prevail over relevant conflicting or inconsistent terms and conditions in the applicable salary and benefits resolution.

2. Executive Director's Services.

Except as provided in this Agreement, the Executive Director shall (a) devote his entire professional time, attention, and energies to his position with the Port, (b) use his best efforts to promote the interests of Port, (c) perform faithfully, loyally, and efficiently his responsibilities and duties, and (d) refrain from any endeavor outside of his employment which interferes with his ability to perform his obligations. The Commission encourages the Executive Director to be involved consistent with this section in national and local non-profit organizations, trade associations or civic organizations associated with the business of the Port and for which the Port shall pay all reasonable dues and charges. Accordingly, during the term of this Agreement the Executive Director may on his own time and expense (e.g. after close of business or during Paid Time Off), serve as a member of a board of directors of a non-profit or civic entity unrelated to the Port's business, provided that prior to accepting or continuing any such appointment, the Executive Director shall obtain approval of the Commission. Notwithstanding the foregoing, under no circumstances shall the Executive Director participate as a member of any private board, regional or otherwise, or a position on a board that is inconsistent with the requirements of Section 4 (Port Values, Code of Conduct and Conflicts of Interest) of this Agreement provided, however, that the Executive Director may continue serving on or with the United States Defense Science Board and the Navy Mutual Aid Association at his own expense.

3. Term and Termination of Agreement.

(a) **Term.** The initial term of this Agreement shall commence on February 1, 2018 (the "Effective Date") and shall end on February 1, 2021 unless extended by written agreement, or terminated earlier. Nothing in this Agreement shall

prevent, limit or otherwise interfere with the right of the Commission by a majority vote to terminate the services of Executive Director at any time, without notice, subject only to the provisions set forth in Section 3(b)(i) of this Agreement. Nothing in this Agreement shall prevent, limit or otherwise interfere with the right of the Executive Director to resign at any time from his position, subject only to the provisions set forth in Section 3(b)(ii) of this Agreement. The Port's policies and procedures regarding discipline and termination of this Agreement are not intended to and will not apply to the Executive Director's employment and this Agreement. The Executive Director's employment is at the will of a majority of the Commission.

(b) Termination and Severance Pay.

(i) In the event the Executive Director's employment is involuntarily terminated by action of the Commission at any time before January 30, 2021 and if the Executive Director is willing and able to perform his duties under this Agreement, the Port shall pay the Executive Director any payments or benefits pursuant to Section 1 above which have been earned but have not been provided through the date of termination and a lump sum separation payment in the amount of nine (9) month's salary; provided, however, that if the Executive Director's employment is terminated because of "gross misconduct" or repeated, intentional or flagrant disregard of the Port's Code of Conduct, the Commission shall have only the obligation to provide payments or benefits pursuant to Section 1 above which have been earned but have not been provided through the date of termination. For purposes of this Agreement, "gross misconduct" shall mean conduct by the Executive Director amounting to criminal conduct, fraud, dishonesty, malfeasance, or conduct by the Executive Director that demonstrates a flagrant and wanton disregard of and for the rights, title or interest of the Port or the Executive Director's fellow employees, including but not limited to repeated conduct by the Executive Director contrary to the policies or direction of the Commission; or a material breach by the Executive Director of this Agreement.

(ii) In the event the Executive Director elects to resign his position, the Executive Director shall provide the Commission a minimum of forty-five (45) days' notice and he shall not be entitled to any severance pay.

(iii) In the event the Commission and the Executive Director reach agreement upon the circumstances and timing of resignation by the Executive Director, the Port shall pay the Executive Director any payments or benefits pursuant to Section 1 above which have been earned but have not been provided through the date of termination and a lump sum separation payment in the amount of two month's salary.

(iv) The parties acknowledge and agree that any and all disputes arising under this Section 3(b) shall be resolved as provided in Section 6(a) of this Agreement (Dispute Resolution).

(v) In the event the Executive Director is required to cooperate with the Port after termination of his employment with respect of any claim, defense, investigation or other civil or criminal proceeding, the Port shall pay his reasonable expenses.

4. **Port Values, Code of Conduct and Conflicts of Interest.** The Executive Director shall be subject to the provisions of the Port's Code of Conduct and the ethics policies for current and former employees incorporated therein and hereby incorporated by reference into this Agreement. The Executive Director represents and warrants that upon the signing of this Agreement, he is not in violation of the Port's Code of Conduct and its ethics policies.

5. **Protective Covenants.**

(a) **Confidentiality.** The Executive Director will have access to information that is considered confidential and/or proprietary. "Confidential Information" includes all information that (i) is treated by the Port as confidential or proprietary; (ii) would reasonably be viewed as confidential; (iii) would reasonably be viewed as having value to a competitor; or (iv) the Port is under an obligation to a third party to keep confidential whether or not disclosed in writing, or other fixed media or disclosed in any other manner (including oral, visual, or electronic disclosure). All Confidential Information is the property of the Port and the Executive Director shall exercise the highest degree of care in safeguarding Confidential Information against loss, theft, or other inadvertent disclosure, and take all steps reasonably necessary to maintain the confidentiality of the Confidential Information subject to the requirements of the state of Washington's Public Records Act. Executive Director shall not, without the prior written permission of the Port, directly or indirectly, disclose to any person or use in his own or in any other person's business or for the benefit of any person or entity other than the Port, any Confidential Information. This obligation continues after the Executive Director leaves employment with the Port. The restrictions on disclosure of Confidential Information do not apply to any information that is generally available to the public (provided the Executive Director played no role in its entering the public domain). If the Executive Director becomes legally obligated to disclose any Confidential Information (such as by a court subpoena), the Executive Director shall give the Port prompt written notice so that it may obtain a protective order or other appropriate remedy, and shall disclose only such information as the Executive Director is legally required to disclose.

(b) **Return of Property.** All equipment, records, files, manuals, forms, data, materials, supplies, computer programs, tangible property, assets and all other information or materials furnished by the Port or used on the Port's behalf, or generated or obtained during the course of the Executive Director's employment shall remain the property of the Port (collectively "Port Property"). Upon termination of employment or at any time upon the Port's request, the Executive Director shall return to the Port all Port Property. The Executive Director shall certify in writing as of the date of termination that none of the Port's Property remains under his control, or has been transferred to any third person.

(c) **Agreement Not to Compete.** Upon the expiration or other termination of this Agreement and the Executive Director's employment, the Executive Director agrees that for two years thereafter, he will not accept employment with another port located on the West Coast of the United States or Canada. The provisions of this Section 5 are in addition to the provisions of Section CC-3 (Former Employees) of the Port's Code of Conduct.

(d) **Indemnity.** The Port will indemnify, defend and hold the Executive Director harmless from and against any and all allegations, suits, claims, legal proceedings or other actions arising out of his performance of duties for or with the Port as set forth in RCW 53.08.208.

6. Miscellaneous.

(a) **Dispute Resolution.** All disputes arising under the provisions of this Agreement or the Executive Director's employment shall be resolved by binding arbitration in accordance with American Arbitration Association rules governing employment disputes. The arbitrator may award any remedy allowed under Washington law. The Arbitrator shall have authority to resolve 'gateway disputes' such as the scope of this arbitration provision. The Port shall pay for all fees and charges of the Arbitrator. An arbitration award may be filed in an appropriate court for enforcement.

(b) **Warranties.** Each party hereto covenants, warrants and represents that it shall comply with all laws and regulations applicable to this Agreement, and that it shall exercise due care and act in good faith at all times in performance of its obligations under this Agreement.

(c) **Headings.** Titles or captions of sections or paragraphs contained in this Agreement are intended solely for the convenience of reference, and shall not serve to define, limit, extend, modify, or describe the scope of this Agreement or the meaning of any provision hereof.

(d) **Waiver.** A waiver by the Commission of any breach of this Agreement by Executive Director shall not be effective unless in writing, and no such waiver shall constitute a waiver of the same or another breach on a subsequent occasion.

(e) **Governing Law and Jurisdiction for Dispute Resolution.** All questions with respect to the construction of this Agreement or the rights and liabilities of the parties hereunder shall be determined in accordance with the laws of the State of Washington other than those relating to conflicts of law.

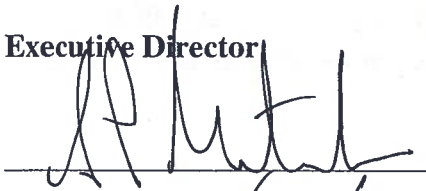
(f) **Severability.** All provisions of this Agreement are severable. If any provision or portion hereof is determined to be unenforceable in arbitration or by a court of competent jurisdiction, then the remaining portion of the Agreement shall remain in full force and in effect.


(g) **Force Majeure.** Neither party shall be liable for failure to perform its obligations under this Agreement due to events beyond that party's reasonable control, including, but not limited to, strikes, riots, wars, fire, acts of God, and acts in compliance with any applicable law, regulation or order (whether valid or invalid) of any governmental body.

(h) **Counterparts.** This Agreement may be executed in one (1) or more counterparts, each of which shall be deemed an original and all of which taken together shall constitute one (1) and the same instrument.

(i) **Entire Agreement and Amendment.** This Agreement: (i) constitutes the entire agreement between the parties with respect to the subject matter hereof; (ii) supersedes and replaces all prior agreements, oral and written, between the parties relating to the subject matter hereof; and (iii) may be amended only by a written instrument clearly setting forth the amendment(s) and executed by both parties.

IT IS SO AGREED, as evidenced by the signatures below:

Executive Director

Date: 12/19/2017

Port of Seattle Commission
By: 
(Print name): Courtney D. Gregoire
(Title): Vice President
Date: 12/19/17

ATTACHMENT A

BENEFITS

Benefits shall generally be governed by the terms and conditions of the Port's 2018 Salary & Benefits Resolution and all subsequent salary and benefits resolutions; however, any terms, conditions and adjustments to pay or salary range for the Executive Director adopted in open session shall prevail over relevant conflicting or inconsistent terms and conditions in the applicable salary and benefits resolution. In addition to the benefits listed in Section 1(c) of this agreement, the Port shall also provide the following benefits to the Executive Director .

1. **Paid Time Off/Sick Leave** – The Executive Director will accrue PTO at the rate specified in the Port's Leave Policy. However, during the first year of employment, he will have 19.6 days (156.8 hours) added to his PTO bank on his first day of employment. The Executive Director will be able to use the PTO in his bank immediately. Beginning with the second year of employment, the Executive Director will accrue PTO per the Port's standard PTO accrual rate. All other provisions of the Port's PTO plan will apply to the Executive Director. The Executive Director will also accrue seven (7) days (.027 hours per hour paid) of Sick Leave each year.
2. **Public Employment Retirement System** – If eligibility requirements are met, the Executive Director will participate in a Washington State Department of Retirement Systems (DRS) PERS plan in accordance with the regulations that govern that plan. Both the Port and the Executive Director will contribute to the Executive Director's PERS plan, subject to the limitations on salary eligible for PERS contributions specified by the IRS.
3. **Deferred Compensation** – The Executive Director will be eligible to participate in the Port's 457 Deferred Compensation plan. This plan is a voluntary plan fully funded by the Executive Director. If the Executive Director elects to participate in the 457 Deferred Compensation plan, he will also be eligible to participate in the Port's 401(a) Supplemental Savings Plan that provides limited Port contributions as a match to the 457 plan contributions.
4. **Parking** – The Executive Director will have an assigned parking place on the Pier 69 apron as well as a parking access card with access to parking at the airport parking garage to use for commuting and business purposes. The Port will impute income for the value of any parking access that exceeds the IRS tax free fringe benefit limit. The Executive Director will have a choice in what type of airport parking garage access he will have, and that choice will determine how much income will be imputed. Additionally, the Executive Director will have the same vacation parking benefits at the airport and the waterfront garage as other Port employees.
5. **Electronic Devices** – Because the Executive Director is likely to work extended hours, including nights and weekends, the Port will provide him for the term of this Agreement such equipment and supplies, including a smart phone and lap-top, as may be necessary to equip his home office. The Port shall be responsible for payment of reasonable repair and maintenance charges and costs attributable to such devices. Use of Port equipment

will be consistent with Port policies as they may be modified from time to time. Upon termination of this Agreement, Port equipment will be promptly returned to it.

6. **Legal Fees** - The Port shall reimburse the Executive Director for reasonable fees associated with negotiation and ratification of this Agreement.
7. **Travel** - The Port shall pay reasonable travel expenses for the Executive Director incurred with respect of Port business consistent with the Port's travel policies.

In the event there is a conflict between the terms of this Agreement and the Commission's standard employee benefits, the terms of this Agreement shall govern.

ATTACHMENT B

RELOCATION TERMS

Relocation reimbursement shall be generally governed by the Port's Relocation Expense policy. The maximum amount of all relocation reimbursements to be paid by the Port is \$100,000. The following specific terms shall apply to the relocation of Executive Director in 2017 or 2018 from residence outside the State of Washington to the Seattle area:

1. **Pre-Move House Hunting Expense.** The Port will cover necessary and reasonable expenses (including lodging, airfare, mileage, meals (excluding alcoholic beverages), transportation, and rental car), for one trip with a maximum of four days for the Executive Director and spouse or domestic partner to seek housing in the Seattle area. The Executive Director will make the necessary arrangements for the trip.

2. **Household Goods and Personal Effects.** The Port will reimburse Executive Director up to 100% of the cost of moving all normal household goods from the Executive Director's current to new residence.

Reimbursement will not be made to move boats, livestock, firewood, pets, perishable plants and foods, or race cars. The Port will reimburse the relocation of two family vehicles. (This includes mileage reimbursement or shipping by the moving company or by auto transport.) The Port will reimburse up to 100% of the cost of temporary storage for up to 60 days after goods are removed from the current home and before deliver to the new home. The Port is not liable for loss or damage to goods or effects while in transit. Executive Director will make the necessary arrangements.

3. **Travel Expenses for Final Move.** The Port will reimburse the Executive Director for one-way travel for him and his family to the Seattle area, including airfare or mileage, meals (excluding alcohol), and necessary lodging en route.

4. **Temporary Housing and Auto Expenses.** In addition to the Relocation Reimbursement set out in Section 7 of this Attachment B, the Port will reimburse Executive Director up to 100% of temporary housing expenses for up to six months provided that he may continue to reside in such housing thereafter at his own expense.

5. **Home Sale Expense.** The Port will reimburse certain actual closing and selling costs upon presentation of a closing statement. These include real estate commissions, attorneys' fees, title fees, escrow fees, points or loan placement charges, state transfer taxes, and similar expenses.

6. **Home Purchase Expense.** The Port will reimburse customary settlement charges in the purchase of a house. These charges include, as required, attorneys' fees, escrow fees, appraisal fees, title costs, points or loan placement charges not representing the payment or prepayment of interest, and sundry expenses connected with the purchase of Executive Director's new home in the Seattle area.

7. **Reimbursement.** Executive Director is responsible for maintaining itemized receipts and submitting them to the Port's Human Resources Department. All expenses must be incurred, and receipts received by the Port HR within eighteen (18) months of February 1, 2018.

8. **Taxes.** Federal tax law requires the Port to report certain expenses and reimbursements it pays on behalf of employees as taxable income. The Port will make a determination of taxability on reimbursements and taxes will be withheld through the Port's payroll system.

9. **Repayment upon Early Termination by Executive Director.** Executive Director agrees to pay back all reimbursement amounts received if he chooses to end his employment within the first of year of his employment.