

Resolution No. 3704

A Resolution of the Port of Seattle Commission repealing portions of Resolution No. 3605, as amended, and adopting the General Delegation of Authority from the Port Commission to the Chief Executive Officer.

WHEREAS, the Washington State Legislature in 1911 authorized local voters to create publicly owned and managed port districts as independent government bodies run by directly elected port commissioners with powers to acquire and manage resources that promote trade and commerce;

WHEREAS, Title 53 of the Revised Code of Washington ("RCW") sets forth the powers and responsibilities of port districts and Title 14, Chapters 14.07 and 14.08 RCW sets forth the powers and responsibilities of airport operators;

WHEREAS, through a vote of the people, the citizens of King County created the Port of Seattle in 1911 as a public agency that today advances trade and commerce, promotes economic vitality, industrial growth and tourism, and creates jobs that provide a sustainable quality of life for the people of King County;

WHEREAS, the Port of Seattle is critical to the success of Washington's economy and its competitiveness as the most trade-dependent state in the country;

WHEREAS, the Port of Seattle Commission is the legally constituted and publicly elected executive governing body of the Port of Seattle;

WHEREAS, the Port of Seattle Commission leads through the principle that "public service is a public trust," and promotes accountability, transparency, and public confidence by its actions;

WHEREAS, the Port Commission has ultimate responsibility for all Port operations, activities, initiatives, and relationships;

WHEREAS, Chapter 53.12 RCW authorizes the Port Commission to delegate powers and responsibilities to a managing official of the Port District as the Port Commission determines;

WHEREAS, this resolution provides the managing official, designated by the Port Commission as the Chief Executive Officer (CEO), with the powers and responsibilities for day-to-day management and administration of the Port;

WHEREAS, this resolution adopts the General Delegation of Authority (“General Delegation”) that defines and updates the delegation of authority from the Port Commission to the CEO concerning a variety of operational matters; and

WHEREAS, the adoption of this General Delegation will be followed by further policy guidance in the form of “Policy Directives” which will provide high-level guidance about how the Port does its work.

NOW, THEREFORE, BE IT RESOLVED by the Port Commission of the Port of Seattle as follows:

1. The General Delegation of Authority (“General Delegation”) attached to this resolution as exhibit A is incorporated into and adopted as part of this resolution.
2. The following sections of Resolution No. 3605, as amended, are repealed:

Preamble

Section 1, Roles and Responsibilities of the CEO

Section 11, Investment of Temporarily Idle Port Funds

Section 12, Insurance Programs

Section 13, Trade Development Programs

Section 14, Issuance of Tariffs

Section 15, Administration Rules and Regulations

Section 17, Travel of Employees and Other Authorized Representatives of the Port

Section 18, Sale of Personal Property

Section 19, Working Funds

AOPTED by the Port Commission of the Port of Seattle at a duly noticed meeting thereof, held this 12th day of MAY, 2015, and duly authenticated in open session by the signatures of the Commissioners voting in favor thereof and the seal of the Commission.



[Handwritten signatures in blue ink over four horizontal lines]

Port Commission

Exhibit A

Port of Seattle Commission Delegation of Responsibility and Authority to the CEO

Preamble

The Port of Seattle's mission is to create jobs by advancing trade and commerce, promoting industrial growth, and stimulating economic development. The Century Agenda, adopted by the Port Commission in late 2012, sets out strategies, objectives, and regional initiatives that guide the Port's efforts in pursuit of this mission.

The Port was established under Washington law as a public agency and engages in commercial enterprises that sustain a healthy economy. It is therefore endowed with both governmental and commercial powers. These dual capabilities require institutional frameworks that foster public accountability and empower direct conduct of commercial activity. The Commission is updating the current Master Delegation of Authority to pursue the Century Agenda.

The Port is committed to create economic opportunity for all, steward the environment responsibly, partner with surrounding communities, promote social responsibility, conduct itself transparently, and hold itself accountable.

All authority of the Port of Seattle is vested with the Commission in its actions as a public body. Through this new General Delegation, the Commission subsequently and hereby vests authority with the Chief Executive Officer ("CEO") and delineates Commission and CEO responsibilities. It sets expectations and lays the basis for the respective efforts of the Commission and CEO to be aligned, complementary, and effective.

Section I: Objectives of this General Delegation

- A. Create Clarity and Alignment:** This General Delegation clearly delineates the responsibility and authority of the Commission and the CEO:
 1. **The Commission** governs the Port, directs all inter-governmental policy functions, and oversees the CEO.
 2. **Together, the Commission and CEO** develop the Port's overall vision, strategies, objectives, Policy Directives, long-range plans, major programs and budgets.
 3. **The CEO** executes the long-range plans and major programs, oversees all enterprises and supporting functions, and advises the Commission.

- B. Provide Transparency and Accountability:** This General Delegation specifically calls for the development and adoption of Policy Directives to guide the Port's efforts in pursuit of its strategic objectives. Policy Directives:
 1. Provide high-level guidance about *how the Port does its work* based on public values and applicable laws, rules and regulations.
 2. Inform operational policies regarding specific functions at the port and set appropriate limits.
 3. Deliver standards that support the effective use of the internal audit function to verify compliance.

Exhibit A

- C. Pursue the Century Agenda:** This General Delegation emphasizes long-range plans as the means of pursuing the Century Agenda strategies and objectives. It utilizes the long-range plan approval and update processes to align the Commission and the CEO. Long-range plans identify *what work needs to be done* to pursue strategies and achieve objectives. These describe the 1) strategy and objective(s) being pursued; 2) work plan, resources, and timeline; 3) metrics that monitor progress; and 4) reporting frequency to the Commission. Long-range plans are developed around strategies and objectives, not operating divisions and budgeting periods.
- D. Empower for Concerted Action:** Clear responsibilities and authorities will enable the Commission and CEO to work in concert and be effective.

Section II. Delegation of Responsibility and Authority

A. Governing the Port of Seattle as its elected body, the Commission shall:

1. Represent the Port to the citizens of King County and to other government bodies.
2. Establish the Port's positions regarding public policy, legislation, and regulation.
3. Appoint the CEO.
4. Conduct the annual performance review of the CEO and provide input to the CEO regarding the performance of those employees that report directly to the CEO.
5. Consider all matters in conflict with adopted Policy Directives.
6. Set the port district's annual property tax levy.
7. Oversee the internal audit function. Consider and authorize any Port borrowed debt, as required by law.
8. Reserve to itself all authority not herein expressly delegated.

B. Guiding the Port of Seattle and together with the CEO, the Commission shall:

1. Develop, adopt, and refine the vision, strategies, and objectives of the Port.
2. Develop, adopt, and amend Policy Directives.
3. Direct the Port's advocacy regarding public policies, legislation, and regulation.
4. Consider, approve, and refine long-range plans.
5. Consider and authorize new enterprises and initiatives.
6. Consider, authorize, and modify major programs and projects.
7. Consider and approve the settlement of any legal claim except as delegated to the CEO, as defined under the relevant Policy Directive.
8. Consider and adopt annual operating and capital budgets.
9. Consider and adopt annual salary and benefit resolutions.
10. Consider and approve collective bargaining agreements.
11. Consider and authorize Interlocal Agreements except as delegated to the CEO, as defined under the relevant Policy Directive.
12. Consider and authorize the acquisition and sale of real property and other capital assets.
13. Consider and establish industrial development districts and utilities.
14. Consider and approve assignment of defense counsel for any employee accused of fraud or criminality.

Exhibit A

C. Serving the Port of Seattle and the Commission, the CEO shall:

1. Prepare the Port's long-range plans and plan updates.
2. Evaluate promising new enterprises and initiatives; prepare proposals as warranted.
3. Develop major programs and projects and updates to major programs and projects.
4. Prepare operating and capital budgets.
5. Negotiate collective bargaining agreements.
6. Manage and supervise all legal services, litigation, engagement of outside legal counsel and other experts (subject to the limitations of RCW 53.08.208), settlements and claims filed for and against the Port, in keeping with relevant Policy Directives.
7. Evaluate possible acquisitions and sales of real property and other capital assets; prepare proposals as warranted.
8. Evaluate possible establishment of industrial development districts and utilities; prepare proposals as warranted.
9. Report regularly to the Commission on delegated responsibilities, industry trends, and economic developments.

D. Managing the Port of Seattle in keeping with the above, the CEO shall:

1. Represent the Port to customers and industry stakeholders.
2. Carry out all policy directives, long-range plans, major programs, and implement projects.
3. Execute contracts and other necessary documents.
4. Select and manage all staff and outside resources necessary to carry out long-range plans, major programs and projects, maintain facilities, and provide supporting functions.
5. Determine the organizational structure of enterprises and their supporting functions.
6. Administer collective bargaining agreements.
7. Administer inter-local agreements, and execute where authorized.
8. Administer the payment of short-term liabilities and other expenses.
9. Establish operational, administrative, monetary, and contractual policies, delegations, rules, tariffs, regulations and procedures in accordance with this Delegation, adopted Policy Directives and all applicable law and regulation.
10. Establish and regularly report to the Commission on continuous process improvement programs, including metrics that shape and measure progress on strategies, objectives, long-range plans, and major programs.
11. Approve travel by employees and other authorized representatives.
12. Apply for and accept grants and other funds from federal, state or local governments.
13. Apply for permits associated with facilities and projects.
14. Carry out additional responsibilities as may be further delegated.
15. Determine, sell and convey Port personal property in accordance with the limits set by law.
16. Provide resources for the preparation for and management of Port borrowed debt.