

RESOLUTION NO. 3770

A RESOLUTION of the Port of Seattle Commission adopting the charters of the following standing committees: the Aviation Committee, Equity and Workforce Development Committee, Waterfront and Industrial Lands Committee, and Energy and Sustainability Committee; and amending the charter of the Audit Committee as adopted in Resolution No. 3613 and subsequently amended on June 28, 2016, and July 11, 2017.

WHEREAS, all authority of the Port of Seattle is vested with the commission in its actions as a public body under Title 53 RCW, and the commission vests authority with the Executive Director and delineates commission and executive director responsibilities through the Delegation of Responsibility and Authority; and

WHEREAS, the Port of Seattle Commission exercises executive authority to govern the Port of Seattle and most commission decisions focus on exercising controls on staff operational activities like contract execution and project implementation; and

WHEREAS, development of policy for commission consideration and final action benefits from attention by subject matter experts and is required by commission bylaws, and committees function as policy development bodies or intensive review boards; and

WHEREAS, both special and standing committees have charters, produce records, have membership determined by the commission president, and can include non-commissioner members, and committee compliance with Open Public Meetings Act requirements depends on legal status, charter provisions, and circumstances, and Article V of the commission bylaws guides the formation and activity of committees; and

WHEREAS, the charter is the foundational statement of the committee's purpose, establishing the name and scope of the committee and identifying when the committee's work will be considered complete, and special considerations for holding meetings in public, composition of the committee, and expected outcomes are addressed in the charter, and commission bylaws describe what information is to be contained in the charter in Article V, Section 2; and

WHEREAS, the commission exercises control over the work of its committees by establishing their scope, or purview, in the committee charter and by taking advantage of the

motion to refer to or discharge from committee any matter under its consideration as described in commission bylaws Article IV, Section 5(k), enabling standing committees to adopt their own annual workplans, which represent the concrete implementation of the committee's chartered scope in a given year; and

WHEREAS, records produced by committees, whether agendas, minutes, presentations, or illustrative materials, are all public records of the Port of Seattle under Chapter 42.56 RCW, and because committee policy work attracts public attention, it is the best practice to publish these materials online proactively; and

WHEREAS, with this resolution and attached charters the commission will create standing committees and direct the committees to adopt annual workplans; and

WHEREAS, the Open Public Meetings Act (Chapter 42.30 RCW) and related law and committee charters make it clear when commission committees are strictly advisory in nature, and the rules requiring open public meetings are well established in law; and

WHEREAS, public reporting and accessible records elevate the profile of commissioners' work in committee and make committee contributions more tangible to the public;

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

Section 1. The charters the Aviation Committee, Energy and Sustainability Committee, Equity and Workforce Development Committee, and Waterfront and Industrial Lands Committee, attached as Exhibits A, B, C, and D, are hereby adopted.

Section 2. Resolution No. 3613, adopting the previous charter of the Audit Committee, is hereby amended as shown in attached Exhibit E.

ADOPTED by the Port of Seattle Commission at a duly noticed public meeting thereof, held this 25th day of February, 2020, and duly authenticated in open session by the signatures of the commissioners voting in favor thereof and the seal of the commission.





SAM H. CHO



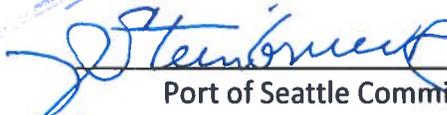
STEPHANIE BOWMAN



FRED FELLEMAN



RYAN CALKINS



PETER STEINBRUECK
Port of Seattle Commission

EXHIBIT A AVIATION STANDING COMMITTEE CHARTER

I. INTRODUCTION

A. The Aviation Committee, herein referred to as “the committee,” is a standing committee created by the Port of Seattle Commission.

B. The committee will provide information, advice, and recommendations about fulfilling the port’s Century Agenda goals to meet the region’s air transportation needs at Seattle-Tacoma International Airport for the next 25 years and encouraging the cost-effective expansion of domestic and international passenger and cargo service. The committee will focus on airport capital infrastructure programs and review of Century Agenda goals as described further below.

C. This charter defines the composition, authority, mission, scope, responsibility, and meeting structure of this committee.

II. COMPOSITION

The committee will consist of two Port of Seattle commissioners appointed by the commission president after consultation with the commission at the beginning of each calendar year in which the committee is active.

III. SCOPE OF WORK

The work of the Aviation Standing Committee shall include the following:

A. Develop and provide recommendations to the Commission on policies, programs, and strategies that advance the Port of Seattle’s Century Agenda Strategy 2: Advance this region as a leading tourism destination and business gateway.

B. Monitor the development of airport infrastructure projects and related planning and design.

C. Review and provide recommendations to the Port of Seattle Commission on the implementation of the Ground Transportation Policy Directive.

D. Review and provide recommendations to the Port of Seattle Commission on airport customer service, sound insulation acceleration, the commercial aviation coordinating commission and airport dining and retail.

E. Review and recommend to the Port of Seattle Commission pilot projects/research opportunities to develop commission policy directives.

F. Review and recommend to the Port of Seattle Commission policies to support the operation of the airport.

IV. AUTHORITY

In pursuit of its mission and scope, the committee is not legally authorized to act on behalf of the Port of Seattle Commission, but is authorized to conduct the following activities:

A. Gather and evaluate information, consider matters within the committee's scope of work, and provide information, advice, and recommendations to the Port of Seattle Commission.

B. Communicate the priorities of the Port of Seattle Commission.

C. Engage in outreach efforts and activities to gather and evaluate information to provide to the Port of Seattle Commission.

D. If the committee determines that to meet its responsibilities it needs the independent services of an outside advisor or consultant with aviation infrastructure or operations expertise, it may propose the retention of such advisor or consultant to the commission for approval.

V. DURATION

The Aviation Committee is a standing committee with broad purview over matters related to aviation and will continue indefinitely until the commission repeals its charter.

VI. RESPONSIBILITY

A. The role of the committee chair(s) shall be to:

1. Preside at meetings and serve as committee sponsor(s);
2. Ensure that the committee addresses the purposes described in this charter; and
3. Set committee meeting agendas.

B. The Commission Policy Manager is the committee liaison, and commission specialists will support the work of the committee as assigned. The role of the committee liaison shall be to:

1. Regularly update the commission on the work of the committee in memos, individual briefings, and public session;
2. Support the work of the committee;
3. Develop, manage, and distribute meeting materials;
4. Provide logistical support including procuring meeting rooms, scheduling, creating meeting records, and providing technical assistance; and
5. Coordinate with the primary executive staff contact to keep the Executive Director and Airport Director informed about committee progress.

C. The Port of Seattle Director of Aviation Facilities and Capital Programs will support the committee as the primary executive staff contact. The role of the executive staff contact shall be to:

1. Inform the Executive Director and Aviation Director about committee progress;
2. Support the committee with timely and responsive information;
3. Coordinate with other executive staff in support of the committee's work; and
4. Serve as a resource for committee deliberation.

VII. MEETINGS

A. The committee will meet at least quarterly and will report to the commission in public session to provide transparency as to progress made in executing its charter.

B. Workgroups composed of non-commissioner advisors and subject matter experts may be formed by the committee to provide in-depth analysis of issues for the committee and are expected to meet as frequently as needed. Workgroup meetings are not considered official committee meetings for purposes of establishing a quorum or management of records by the commission clerk.

C. A quorum of the committee is required to conduct official committee business. A quorum is defined as the presence of both commissioners assigned to the committee.

D. Meetings of the Aviation Committee shall be open to the public when required by applicable law or the bylaws of the Port of Seattle Commission.

E. Agendas will be prepared and made available to committee members in advance of meetings.

F. Agendas for updates to the commission to be presented in public session will be published as part of regular or special commission meeting notices.

G. Minutes will be prepared and retained for all meetings of the committee.

H. Records of committee meetings, including any meeting minutes, shall be provided to the commission clerk for appropriate retention in accordance with applicable law and best practices.

EXHIBIT B ENERGY AND SUSTAINABILITY STANDING COMMITTEE CHARTER

I. INTRODUCTION

A. The Energy and Sustainability Committee, herein referred to as “the committee,” is a standing committee created by the Port of Seattle Commission. The committee will provide information, advice, and recommendations about programs and policies as described below.

B. The Port of Seattle’s Century Agenda outlines a strategic objective to become the greenest and most energy efficient port in North America and sets specific greenhouse gas reduction targets. The Energy and Sustainability Committee shall provide information, advice, and recommendations to inform commission policy development in pursuit of the port’s Century Agenda environmental and sustainability goals. The committee shall conduct its work in the context of other Century Agenda goals, and continue the port’s commitment to fiscal responsibility, social equity, and environmental justice.

C. This charter defines the composition, authority, mission, scope, responsibility, and meeting structure of this committee.

II. COMPOSITION

The committee will consist of two Port of Seattle commissioners appointed by the commission president after consultation with the commission at the beginning of each calendar year in which the committee is active.

III. SCOPE OF WORK

A. The work of the Energy and Sustainability Standing Committee primary responsibility is to develop policy recommendations and monitor implementation of the Century Agenda’s environmental and sustainability goals including “be the greenest and most energy-efficient port in North America” and “meet all increased energy needs through conservation and renewable sources.” The work of the committee will include the following:

B. Develop and provide recommendations to the commission on policies, programs, and strategies that advance the Port of Seattle’s reduction and mitigation goals for port Century Agenda greenhouse gas emissions reduction goals.

C. Monitor the implementation of the Sustainable Evaluation Framework Policy Directive and review Sustainable Design Strategies as designated in the Sustainable Evaluation Framework Policy Directive.

D. Monitor the development and implementation of the Sustainable Aviation Fuels strategy and implementation, including the statewide implementation of a Clean Fuel Standard to support regional market development for Sustainable Aviation Fuels.

E. Monitor the development and implementation of the Port of Seattle Waterfront Clean Energy Strategic Plan.

F. Monitor the development and implementation of the cruise environmental principle as passed in Motion 2019-02 and reads as follows:

“Incorporate leading edge environmental stewardship and sustainability practices and facilities that can exceed existing regulations.

- a) Set aggressive goals to minimize greenhouse gas impacts in operation of ships and terminals to support the Port’s goals of reducing carbon by 50 percent by 2030 and the carbon-neutral-by-2050 goal.
- b) Lead the region and the industry to minimize air emissions, ensure water quality and protect our ecosystems, focusing on minimizing air and water discharges at dock and underway.
- c) Engage with key local stakeholders in support of regional environmental priorities and initiatives, including considering recommendations from the state’s Orca Task Force.
- d) Require use of shore power where feasible by equipped ships and include shore power capabilities at the new berth.”

G. Review and recommend to the Port of Seattle Commission pilot projects and research opportunities to develop commission policy directives.

IV. AUTHORITY

In pursuit of its mission and scope, the committee is not legally authorized to act on behalf of the Port of Seattle Commission, but is authorized to conduct the following activities:

A. Gather and evaluate information, consider matters within the committee’s scope of work, and provide information, advice, and recommendations to the Port of Seattle Commission.

B. Communicate to the public the priorities of the Port of Seattle Commission.

C. Engage in outreach efforts and activities to gather and evaluate information to provide to the Port of Seattle Commission.

D. If the committee determines that to meet its responsibilities it needs the independent services of an outside advisor or consultant with expertise in areas relevant to the responsibilities of the committee, it may propose the retention of such advisor or consultant to the commission for approval.

V. DURATION

The Energy and Sustainability Committee is a standing committee with broad purview over matters related to environmental and sustainability issues and will continue indefinitely until the commission repeals its charter.

VI. RESPONSIBILITY

A. The role of the committee chair(s) shall be to:

1. Preside at meetings and serve as committee sponsor(s);
2. Ensure that the committee addresses the purposes described in this charter; and
3. Set committee meeting agendas.

B. The Commission Policy Manager is the committee liaison, and commission specialists will support the work of the committee as assigned. The role of the committee liaison shall be to:

1. Regularly update the commission on the work of the committee in memos, individual briefings, and public session;
2. Support the work of the committee;
3. Help develop, manage, and distribute meeting materials;
4. Provide logistical support including procuring meeting rooms, scheduling, creating meeting records, and providing technical assistance; and
5. Coordinate with the primary executive staff contact to keep the Executive Director informed about committee progress.

C. The Port of Seattle Senior Director, Engineering, Environment and Sustainability will support the committee as the primary executive staff contact. The role of the executive staff contact shall be to:

1. Inform the Executive Director about committee progress;
2. Support the committee with timely and responsive information;

3. Coordinate with other executive staff in support of the committee's work; and
4. Serve as a resource for committee deliberation.

VII. MEETINGS

A. The committee will meet at least quarterly and will report to the commission in public session to provide transparency as to progress made in executing its charter.

B. Workgroups composed of non-commissioner advisors and subject matter experts may be formed by the committee to provide in-depth analysis of issues for the committee and are expected to meet as frequently as needed. Workgroup meetings are not considered official committee meetings for purposes of establishing a quorum or management of records by the commission clerk.

C. A quorum of the committee is required to conduct official committee business. A quorum is defined as the presence of both commissioners assigned to the committee.

D. Meetings of the Energy and Sustainability Committee shall be open to the public when required by applicable law or the bylaws of the Port of Seattle Commission.

E. Agendas will be prepared and made available to committee members in advance of meetings.

F. Agendas for updates to the commission to be presented in public session will be published as part of regular or special commission meeting notices.

G. Minutes will be prepared and retained for all meetings of the committee.

H. Records of committee meetings, including any meeting minutes, shall be provided to the commission clerk for appropriate retention in accordance with applicable law and best practices.

EXHIBIT C

EQUITY AND WORKFORCE DEVELOPMENT STANDING COMMITTEE CHARTER

I. INTRODUCTION

A. The Equity and Workforce Development Committee, herein referred to as “the committee,” is a standing committee created by the Port of Seattle Commission. The committee will provide information, advice, and recommendations about the port’s equity, workforce development, and career connected learning programs and policies, and diversity in contracting goals.

B. The Port of Seattle is committed to joining regional and national efforts to achieve equity and justice for all and recognizes our essential role in building a socially just institution by dismantling the structural barriers that have prevented the full participation of our most marginalized communities, particularly communities of color. To achieve equitable outcomes for all we will lead with a racial equity lens, instituting policies and practices that address the systemic inequity of economic opportunities, working conditions, impacts on local communities, and participation in port affairs.

C. This charter defines the mission, composition, scope, authority, responsibility, and meeting structure of this committee.

II. COMPOSITION

The committee will consist of two Port of Seattle commissioners appointed by the commission president, after consultation with the commission, at the beginning of each calendar year in which the committee is active.

III. SCOPE OF WORK

The work of the Equity and Workforce Development Standing Committee shall include the following areas and associated activities:

A. Equity:

1. Review and provide recommendations to the commission on the development and implementation of the Duwamish Valley Community Benefits Policy Directive and the South King County Fund.
2. Review and monitor internal and external equity programs, policies, systems, and practices including but not limited to the implementation of the Office of Equity, Diversity and Inclusion Strategic Plan, and the workforce development policy, community partnerships with an emphasis on environmental, racial, and economic justice, and effective channels of communication with port leaders in all port impacted communities.

B. Workforce Development: Review and provide policy recommendations to the commission to develop port workforce development programs that support equitable access to port-related jobs and opportunities.

C. Career Connected Learning: Review and provide recommendations to the commission to guide the port's career connected learning strategies. The strategies are intended to ensure that those participating in workforce development programs have access to real-world learning experiences in port-related industries and that connect students to meaningful and well-paying jobs at the Port of Seattle.

D. Diversity in Contracting: Monitor the implementation of the Diversity in Contracting policy directive. Review and recommend to the commission policies that provide economic development opportunities to women- and minority-owned business enterprises based on equity principles.

E. Communicate the port's approved legislative agenda to the public as it relates to the scope of work for the committee.

F. Review and recommend to the Port of Seattle Commission updates to the Century Agenda and policies to support the work of the Office of Equity, Diversity, and Inclusion.

IV. AUTHORITY

In pursuit of its mission and scope, the committee is not legally authorized to act on behalf of the Port of Seattle Commission, but is authorized to conduct the following activities:

A. Gather and evaluate information, consider matters within the committee's scope of work, and provide information, advice, and recommendations to the Port of Seattle Commission.

B. Communicate the priorities of the Port of Seattle Commission.

C. Engage in outreach efforts with community leaders and stakeholders and activities to gather and evaluate information to provide to the Port of Seattle Commission.

D. If the committee determines that to meet its responsibilities it needs the independent services of an outside advisor or consultant with equity, workforce development, or career connected learning expertise, it may propose the retention of such advisor or consultant to the commission for approval.

V. DURATION

The Equity and Workforce Development Committee is a standing committee with broad purview over matters related to equity and will continue indefinitely until the commission repeals its charter.

VI. RESPONSIBILITY

A. The role of the committee chair(s) shall be to:

1. Preside at meetings and serve as committee sponsor(s);
2. Ensure that the committee addresses the purposes described in this charter; and
3. Set committee meeting agendas.

B. The Commission Policy Manager is the committee liaison, and commission specialists will support the work of the committee as assigned. The role of the committee liaison shall be to:

1. Regularly update the commission on the work of the committee in memos, individual briefings, and public session;
2. Support the work of the committee;
3. Help develop, manage, and distribute meeting materials;
4. Provide logistical support including procuring meeting rooms, scheduling, creating meeting records, and providing technical assistance; and
5. Coordinate with the primary executive staff contact to keep the Executive Director informed about committee progress.

C. The Port of Seattle Senior Director of Equity, Diversity, and Inclusion or delegate will support the committee as the primary executive staff contact. The role of the executive staff contact shall be to:

1. Inform the Executive Director about committee progress;
2. Support the committee with timely and responsive information;
3. Coordinate with other executive staff in support of the committee's work; and
4. Serve as a resource for committee deliberation.

VII. MEETINGS

A. The committee will meet at least quarterly and will report to the commission in public session to provide transparency as to progress made in executing its charter.

B. A quorum of the committee is required to conduct official committee business. A quorum is defined as the presence of both commissioners assigned to the committee.

C. Meetings of the Equity and Workforce Development Committee shall be open to the public when required by applicable law or the bylaws of the Port of Seattle Commission.

D. Agendas will be prepared and made available to committee members in advance of meetings.

E. Agendas for updates to the commission to be presented in public session will be published as part of regular or special commission meeting notices.

F. Minutes will be prepared and retained for all meetings of the committee.

G. Records of committee meetings, including any meeting minutes, shall be provided to the commission clerk for appropriate retention in accordance with applicable law and best practices.

EXHIBIT D

WATERFRONT AND INDUSTRIAL LANDS STANDING COMMITTEE CHARTER

I. INTRODUCTION

A. The Waterfront and Industrial Lands Standing Committee, herein referred to as “the committee,” is a standing committee created by the Port of Seattle Commission. The committee will provide information, advice, and recommendations to the full commission and executive director regarding the port’s waterfront and industrial lands interests and goals.

B. This committee will build upon some of the Port of Seattle’s earliest accomplishments; promoting and developing industrial lands policy on behalf of the public. The port’s Century Agenda continued this commitment by calling out the need to anchor industrial lands within the urban area. The Port of Seattle and Northwest Seaport Alliance recognized the importance of this limited resource when they publicly committed to no net loss of industrial lands in the 2016 motion: “Guiding Principles: Protect and Enhance Maritime and Industrial Lands.” This committee will work to support policy and activities that support maritime and industrial businesses and provide a diversity of good paying employment opportunities to our region.

C. This charter defines the mission, composition, scope, authority, responsibility, and meeting structure of this committee.

II. COMPOSITION

The committee will consist of two Port of Seattle commissioners appointed by the commission president, after consultation with the commission, at the beginning of each calendar year in which the committee is active.

III. SCOPE OF WORK

The work of the Waterfront and Industrial Lands Standing Committee shall include the following areas and associated activities:

A. Waterfront: Review and provide recommendations to the commission on the development and implementation of internal and external advocacy efforts, policies, systems, and practices including but not limited to the development of maritime and industrial properties, cruise, waterfront development, and initiatives including Terminal 46.

B. Industrial Lands: Review and provide policy recommendations to the commission regarding the protection and growth of industrial lands. Monitor and support the Port of Seattle’s role at the state level and in the City of Seattle’s decision-making process regarding zoning and industrial lands.

C. Review and recommend to the Port of Seattle Commission pilot projects/research opportunities to develop commission policy directives.

D. Review and recommend to the Port of Seattle Commission updates to the Century Agenda and policies to support the waterfront development and industrial lands policies.

IV. AUTHORITY

In pursuit of its mission and scope, the committee is not legally authorized to act on behalf of the Port of Seattle Commission, but is authorized to conduct the following activities:

A. Gather and evaluate information, consider matters within the committee's scope of work, and provide information, advice, and recommendations to the Port of Seattle Commission.

B. Communicate the priorities of the Port of Seattle Commission.

C. Engage in outreach efforts with community leaders and stakeholders and activities to gather and evaluate information to provide to the Port of Seattle Commission.

D. If the committee determines that to meet its responsibilities it needs the independent services of an outside advisor or consultant within any areas under its authority, it may propose the retention of such advisor or consultant to the commission for approval.

V. DURATION

The Waterfront and Industrial Lands Committee is a standing committee with broad purview over matters related to the port's interests in the waterfront and industrial lands and will continue indefinitely until the commission repeals its charter.

VI. RESPONSIBILITIES

A. The role of the committee chair(s) shall be to:

1. Preside at meetings and serve as committee sponsor(s);
2. Ensure that the committee addresses the purposes described in this charter; and
3. Set committee meeting agendas.

B. The Commission Policy Manager is the committee liaison, and commission staff will support the work of the committee as assigned. The role of the committee liaison shall be to:

1. Regularly update the commission on the work of the committee in memos, individual briefings, and public session;

2. Support the work of the committee;
 3. Help develop, manage, and distribute meeting materials;
 4. Provide logistical support including procuring meeting rooms, scheduling, creating meeting records, and providing technical assistance; and
 5. Coordinate with the primary executive staff contact to keep the Executive Director informed about committee progress.
- C. The Port of Seattle Managing Director of Maritime and the Senior Director of External Relations or their delegates will support the committee as the primary executive staff contacts. The role of the executive staff contacts shall be to:
1. Inform the Executive Director about committee progress;
 2. Support the committee with timely and responsive information;
 3. Coordinate with other executive staff in support of the committee's work; and
 4. Serve as a resource for committee deliberation.

VII. MEETINGS

- A. The committee will meet at least quarterly and will report to the commission in public session to provide transparency as to progress made in executing its charter.
- B. A quorum of the committee is required to conduct official committee business. A quorum is defined as the presence of both commissioners assigned to the committee.
- C. Meetings of the Waterfront and Industrial Lands Committee shall be open to the public when required by applicable law or the bylaws of the Port of Seattle Commission.
- D. Agendas will be prepared and made available to committee members in advance of meetings.
- E. Agendas for updates to the commission to be presented in public session will be published as part of regular or special commission meeting notices.
- F. Minutes will be prepared and retained for all meetings of the committee.
- G. Records of committee meetings, including any meeting minutes, shall be provided to the commission clerk for appropriate retention in accordance with applicable law and best practices.

EXHIBIT E

AUDIT COMMITTEE CHARTER REDLINE

Section I: Purpose and Authority.

- A. The Audit Committee is a standing committee created by the Seattle Port Commission. Its general purpose is to represent the commission and have review and oversight authority on matters relating to the Port of Seattle auditing process and procedures. It will assist the Port of Seattle Commission in fulfilling its oversight responsibilities for:
- (1) The integrity of the port's financial statements;
 - (2) The effectiveness of the port's internal control system over financial reporting, compliance, and operations;
 - (3) The periodic performance audits to be conducted on Port of Seattle operations, programs, activities, and business processes;
 - (4) The independent auditor's qualifications and independence; and
 - (5) The performance of the port's internal audit function and external auditors.
- B. In carrying out these responsibilities, the Audit Committee shall determine that all internal audits are conducted under the United States Government Accountability Office's Government Auditing Standard and the Institute of Internal Auditing standards.
- C. The Audit Committee is empowered to seek any information it requires from Port of Seattle employees on audit matters, all of whom are directed to cooperate with the committee's requests. The committee shall keep the Executive Director apprised of all such requests.
- D. If the committee determines that in order to meet its responsibilities it requires the independent services of an outside advisor or consultant having expertise in financial reporting, auditing, and internal controls, it may propose the retention of such advisor or consultant to the commission for approval.

Section II: Duties.

The Audit Committee will:

- A. Inform the commission of the independent auditors selected, based on an open competitive process, to audit the financial statements and the federal grant and passenger facilities charge programs of the Port of Seattle and other audit services.¹
- B. Oversee the Director of Internal Audit's plans and activities and review with the director the staffing and organizational structure of the internal audit function, including

¹ Section II(A) was amended June 28, 2016, for clarity.

coordination of audit effort with the external auditors. Audit Committee responsibilities will include:

- (1) Formally approve the Director of Internal Audit's annual audit plan. The annual plan will include which operations, departments, vendors, agreements, and leases are to be audited by the Director of Internal Audit and audit staff during the course of the year.
- (2) Review the Internal Audit Department staffing needs.
- (3) Review and recommend to the full commission the Internal Audit Department annual budget.
- (4) Make recommendations to the commission on the appointment, replacement, or dismissal of the Internal Audit Director or any external auditors.
- (5) Review the findings and recommendations of internal audits conducted at the Port of Seattle, in regards to financial compliance, internal controls, performance, and efficiency.
- (6) Elicit any recommendations of the improvement of such internal controls or particular areas where new or more detailed controls or procedures are desirable. Schedule and hear reviews of these improvements presented by Port of Seattle staff as deemed necessary.

C. Review with the port's external auditors:

- (1) The independent auditors' annual audit of the port's financial statements, as well as related notes and management's discussion and analysis.
- (2) The management letter and the schedule of unadjusted differences.
- (3) The independent auditors' annual audit of the passenger facility charges.
- (4) The independent auditors' single audit of the federal grant awards administered by the port.
- (5) The independent auditors' judgments about the quality of the port's accounting principles as applied in its financial reporting.
- (6) Any performance or accountability audits performed on the Port of Seattle. This will include a review of final audit findings and recommendations including management's response and analysis.

D. Review other external audits conducted on Port of Seattle operations, programs, activities, and business processes. In carrying out these responsibilities, the Audit Committee shall:

- (1) Encourage discussion between management, the commission, and other stakeholders in order to identify future potential areas of performance audit focus.
- (2) Provide recommendations to the commission regarding specific audit areas for consideration, including suggested audit objectives, scope, and evaluation criteria.

- (3) Inform the commission of the external auditing firms selected, based on an open competitive process, to review external audits conducted on Port of Seattle operations, programs, activities, and business processes.²
 - (4) Report the results of such audits to the commission when completed.
- E. Discuss with management the port's policies with respect to risk assessment and risk management.

Section III: Internal Responsibilities.

- A. The Audit Committee will:
- (1) Assess as necessary the goals and objectives of the Audit Committee and monitor progress in achieving those goals and objectives.
 - (2) Provide an annual report to the commission that describes how the Audit Committee has discharged its duties and met its responsibilities.

Section IV: Composition.

- A. The Audit Committee will consist of at least two members of the Port of Seattle Commission and one public member approved by the commission. Commission members of the Audit Committee, as well as the committee chair, will be selected by the commission president at the beginning of each calendar year.
- B. The public member will be recommended by the Audit Committee for appointment and confirmation by the commission. The public member may be removed during his or her term by the commission president.

Each committee member will be independent of port management and any external audit firm currently employed by the port or subcontracted by any auditor employed by the port. The public member must have the following qualifications:

- (1) Experience with generally accepted accounting principles (GAAP) and generally accepted auditing standards (GAAS).
- (2) Experience in the preparation or auditing of the financial statements of public entities.
- (3) Experience in the application of GAAP in regards to estimates, accruals, and reserves.
- (4) Experience in the assessment and evaluation of internal controls, including risk assessment.
- (5) An understanding of or experience with a public sector audit committee.
- (6) An understanding of or experience with performance audits.

² Section II(D)(3) was amended July 11, 2017, to conform to the June 26, 2016, amendment of Section 2(A)

(7) Can make a commitment to serve a three-year term.

The public member will serve as an advisor to the Audit Committee and is not considered a voting member of the committee for the purposes of quorum determination or voting on any official business of the committee.

Section V: Meetings.

- A. The committee will meet at least four times a year, with authority to convene additional meetings as circumstances require.
- B. All committee meetings ~~are open to the public~~ shall be open to the public, except for portions of meetings that can be considered executive session for the Port of Seattle Commission under RCW 42.30.110.
- C. A quorum of the committee is required to conduct official committee business. A quorum is defined as a majority of voting members.
- D. The committee will invite members of management, auditors, or others to attend meetings and provide pertinent information, as necessary.
- E. Meeting agendas will be prepared and provided in advance to members, along with appropriate briefing materials. Minutes will be prepared and approved by the Audit Committee.