

Commissioners
John Creighton
Chair and President
Bill Bryant
Patricia Davis
Lloyd Hara
Gael Tarleton



Tay Yoshitani
Chief Executive Officer

P.O. Box 1209
Seattle, Washington 98111
www.portseattle.org
206.728.3000

An audio of the meeting proceedings and meeting materials are available on the Port of Seattle web site -

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(The approximate point in the audio recording for the specific item is identified by minutes and seconds; example: 01:30.)

**APPROVED MINUTES
COMMISSION REGULAR MEETING AUGUST 26, 2008**

The Port of Seattle Commission met in a regular meeting at 3:00 p.m., Tuesday, August 26, 2008 in the International Conference Center, Airport Office Building, Seattle-Tacoma International Airport, Seattle, WA. Commissioners Bryant, Creighton, Davis, Hara and Tarleton were present.

1. CALL TO ORDER

The regular meeting was called to order at 3:10 p.m. by John Creighton, Chair and President.

2. EXECUTIVE SESSION pursuant to RCW 42.30.110

The regular meeting was immediately recessed to an executive session to discuss Legal, Real Estate, and Contract matters for approximately one hour and reconvened to public session.

PLEDGE OF ALLEGIANCE

3. APPROVAL OF MINUTES

(00:01:23) Motion for approval of minutes of the work session of August 5, 2008 – Tarleton

Motion carried by the following vote:

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

4. SPECIAL ORDER OF BUSINESS

CEO Yoshitani announced that Seattle-Tacoma International Airport recently received the 2008 Environmental Achievement Award from Airports Council International, North America, recognizing the airport's comprehensive stormwater management program.

Mr. Yoshitani also provided comments on the Passenger Vessel Services Act, and possible impacts to the cruise industry resulting from upcoming rulings proposed by U.S. Customs and Border Patrol.

a. (00:07:56) Report on the Triennial Exercise at Seattle-Tacoma International Airport.

Presentation document: Computer slide [presentation](#) titled, "Triennial Exercise 2008"

Presenter: Mike Ehl, Director, Airport Operations. Mr. Ehl also introduced Ron Harmon, Airport Emergency Program Manager, who assisted in the presentation.

Topics reviewed:

- Triennial Exercise Background and Overview
- Triennial Exercise Scenario
- Volunteers / Key Exercise Participants
- Aircraft Disaster Functions & Facilities Activated
- Incident Command
- 'Tri-Design' Team

A KING TV clip of the triennial exercise was also shown.

Mr. Ehl read a letter from the FAA, for special achievement regarding the Triennial Exercise, and dedicated the award to the team that participated in the emergency exercise.

5. UNANIMOUS CONSENT OF CALENDAR

(00:23:58) The following items were placed for consideration on the Unanimous Consent Calendar:

a. Request for approval of Change Order for C60 Baggage Handling System Project in the amount of \$9,262,919 with a 71 calendar day extension to the project completion date – contract MC-0311023.

Request Document: Commission Agenda [Memorandum](#) dated August 12, 2008 from Ralph Graves, Managing Director, Capital Development Division

b. Request for Change Order for C60 Baggage Handling System Project in the amount of \$851,220 – contract MC-0311023

Request Document: Commission Agenda [Memorandum](#) dated August 18, 2008 from Ralph Graves, Managing Director, Capital Development Division

Motion for approval of Unanimous Consent Items – Davis

Motion carried by the following vote:

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

6. POLICY AND STAFF BRIEFINGS

a. (00:25:09) Update on Skycap and Wheelchair Services at Seattle-Tacoma International Airport

Presentation Documents: Commission Agenda [Memorandum](#) dated August 1, 2008 from Michael Ehl, Director, Airport Operations and computer slide [presentation](#) titled, “Skycap and Wheelchair Services at Seattle-Tacoma International Airport.”

Presenters: Mr. Ehl and Paul Binting, Senior Port Counsel

Items Discussed:

- Background, Pre- and Post-9/11/01
- Carriers Providing Curbside Service
- Service Employees International Union (SEIU) Proposal, March 2007
- Current and Proposed Labor Costs and Bill Rates
- SEIU Proposal – Pros and Cons
- Considerations

Following discussion, it was suggested by Commissioners that Tay and the Commission work to influence the Airlines and SEIU to work together in settling issues; that there be further work on a strategy of going to the FAA with related concerns and alternatives of addressing them; and that over the next 6 months, there be further discussion of which issues may need to be dealt with legislatively.

Commissioner Tarleton asked to receive from Mr. Ehl, and Kurt Beckett, Director of External Affairs, strategy recommendations of ways to raise the current skycap and wheelchair issues in order to move forward.

Public Testimony regarding Item 6a was received from the following:

- Terrence Costello, SEIU, Local 6. A copy of a document provided to commissioners for review was submitted by Mr. Costello; is by reference, made a part of these minutes; is marked Exhibit ‘[A](#),’ and is on file in Port offices.

General Business was advanced on the agenda as follows:

11. GENERAL BUSINESS

- a. (00:55:45) Resolution No. [3605](#), Second Reading and Final Passage. Adopting a new delegation of authority, repealing and replacing Resolution No. 3181.**

Request Document: Commission Agenda [Memorandum](#) dated August 11, 2008 from Tom Barnard, Commission Research and Policy Analyst.

A document was also provided by Mr. Barnard, reflecting several last-minute changes being proposed for discussion as amendments to the resolution.

Presenter: Mr. Barnard

Before reviewing the proposed amendments, Mr. Barnard noted that item #1 within his document was no longer relevant, and therefore, would not be considered as a possible amendment to the resolution.

It was also clarified that within his document, the proposed change to section 7.4.3 should in fact, be within section 7.4.2.

Motion to amend Resolution No. 3605, as stated during Commission discussion – Tarleton

Motion carried by the following vote:

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

Motion for Second Reading and Final Passage of Resolution No. 3605, as Amended – Davis

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

- b. (01:23:24) Audit Response Action Plan Update**

Presentation Documents: Commission Agenda [Memorandum](#) dated August 4, 2008 from Dakota Chamberlain, Special Assistant to Managing Director and computer slide [presentation](#) titled, "Audit Response Action Plan Update to Commission."

Presenter: Mr. Chamberlain

Topics Reviewed:

- Work Complete
- Action Plan Timeline
- Next Steps

Within the presentation, Ms. Strout and Carrie Early, Information and Communication Technology, reviewed for the Commission, the program currently being developed to reflect the CEO's re-delegations of authority to Port staff.

Commissioner Tarleton suggested that after the program is fully developed and 'goes live' that the Port Audit Committee receive a quarterly briefing as to how the program is working.

c. (01:40:56) Terminal 30 and Terminal 91 Financial and Schedule Status

Presentation documents: Commission Agenda [Memorandum](#), with [attachment](#), dated August 1, 2008 from Michael Burke, Director, Container Operations; Curtis Stahlecker, Manager, Seaport Project Management; and Janice Zahn, Assistant Director of Engineering, Construction Services.

Presenters: Mr. Stahlecker and Ms. Zahn

d. (01:48:46) Update on the Consolidated Rental Car Facility Program

Presentation Documents: Commission Agenda [Memorandum](#), and [attachment](#), dated July 31, 2008 from Michael Ehl, Director, Airport Operations and George England, Program Leader, Project Management Group

Presenter: Mr. England

e. (01:55:13) Aviation Business Plan Overview

Presentation Documents: Commission Agenda [Memorandum](#) dated August 19, 2008 from Mark M. Reis, Managing Director, Aviation and computer slide [presentation](#) titled, "Aviation Division 2009 Business Plan Overview."

Presenter: Borgan Anderson, Manager, Aviation Finance and Budget

Topics reviewed:

- Anticipating Impacts of Airline Changes
- Sea-Tac Characteristics
- Enplaned Passengers 1989-2008
- Enplanement Projections
- Financial Performance 1999-2008
- Challenges
- Financial Strategies
- Airport's Strategic Focus
- Anticipate Deferring Many Strategic Priorities
- Strategic Initiatives

f. (02:30:39) Seattle-Tacoma International Airport Noise Programs Briefing

Presentation Documents: Commission Agenda [Memorandum](#) dated August 20, 2008 from Stan Shepherd, Manager, Noise Programs, Community Development and Diane Summerhays, Director, Community Development and computer slide [presentation](#) titled, "Airport Noise Programs Update to Commission."

Presenters: Mr. Shepherd and Ms. Summerhays

Topics reviewed:

- History of Sea-Tac's Noise Programs
- FAR Part 150 Process
- Current Noise Program
- Noise Contours
- School Sound Mitigation
- Community Noise Mitigation
- Fly Quiet Program
- Flight Tracking
- Noise Monitoring
- Continuous Descent Approach
- Community Outreach

Commissioner Davis suggested that prior to the Airport's next participation in the FAA's Part 150 program, staff return to the Commission and give background explanation of what would be involved. She also stressed the importance of providing clear communications to the public.

7. MARINE ITEMS

a. (03:01:56) Request for authorization to (1) Accept a Congestion Mitigation and Air Quality grant for \$500,000; (2) Provide Port matching funds of 13.5% or

\$73,035, and if appropriate (3) Execute a Memorandum of Understanding with terminal and rail operators for the grant project.

Request document: Commission agenda [Memorandum](#) dated August 4, 2008 from Linda Styrk, Director, Container Marketing and Stephanie Jones Stebbins, Senior Manager, Seaport Environmental Programs

Presenters: Ms. Styrk and Ms. Jones Stebbins

Motion for approval of Item 7a – Bryant

Motion carried by the following vote:

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

8. AVIATION ITEMS

a. (03:08:32) Request for approval of the revised Port of Seattle Art Program Policy and Guidelines

Request Document: Commission Agenda [Memorandum](#) dated August 19, 2008 from Keith Gillin, Manager, Aviation Architecture & Standards and Colleen McPoland, Manager, Aviation Art Program

Presenters: Mr. Gillin and Ms. McPoland

Motion for approval of Item 8a – Davis

Motion carried by the following vote:

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

b. (03:24:13) Request for authorization for design work for the Renewal and Replacement Capital Improvement Project at Seattle-Tacoma International Airport for an estimated cost of \$357,000

Request Document: Commission Agenda [Memorandum](#) dated August 7, 2008 from James R. Schone, Director, Aviation Business Development and Robert F. Riley, Director, Aviation Capital Improvement Program

Presenters: Deanna Zachrisson, Manager, Concessions Management and John Parraz, Capital Construction Project Manager

Commissioner Tarleton suggested that staff try to accelerate their current schedule and return to the Commission before next April, for authorization to go out to bid on the planned projects.

Motion for approval of Item 8b – Tarleton

Motion carried by the following vote:

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

Staff authorized: Chief Executive Officer; Managing Director, Aviation Division; Interim Managing Director, Capital Development Division; Director, Capital Improvement Program; Project Manager; and Chief Procurement Officer.

c. (03:53:58) Request for authorization to (1) Negotiate amendment to lease with US Postal Service (USPS) at Seattle-Tacoma International Airport (Airport) to reduce a certain portion of the leased premises; (2) Execute documents for 100% demolition design of USPS Air Mail Center facility at Airport and 15% design of remain overnight aircraft parking positions for \$1,145,000, and; (3) Terminate existing lease with USPS in accordance with lease termination provisions at a cost not to exceed \$5,081,213, for future development of remain overnight aircraft parking positions.

Request Document: Commission Agenda [Memorandum](#) dated July 28, 2008 from Michael Ehl, Director, Airport Operations; James R. Schone, Director, Business Development; and Robert Riley, Director, Aviation Capital Improvement Program

Presenters: Mr. Ehl and Luis Navarro, Manager, Aviation Properties

Motion for approval of Item 8c – Tarleton

Motion carried by the following vote:

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

Staff authorized: Chief Executive Officer; Managing Director, Aviation Division; Managing Director, Capital Development Division; Deputy Managing Director, Aviation Development and Finance; Deputy Managing Director, Aviation Facilities and Environmental Programs; Director, Airport Operations; Director, Aviation Business Development and Management; Manager, Aviation Properties; Director, Aviation Capital Improvement Program; Aviation Project Manager; and Director, Engineering Services.

9. CAPITAL DEVELOPMENT

a. (04:10:21) Request for authorization of Change Order exceeding \$200,000 for Terminal 91 Utility Infrastructure Upgrade

Request Document: Commission Agenda [Memorandum](#) dated July 25, 2008 from Ralph Graves, Managing Director, Capital Development

Presenter: Janice Zahn, Assistant Director, Engineering, Construction Services

Motion for approval of Item 9a – Davis

Motion carried by the following vote:

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

b. (04:12:51) Request for approval Change Orders #316, #317, and #318 in amounts exceeding \$200,000 for the Central Terminal Expansion Project to settle claims to the Port, and for \$2,385,015 to pay for these Change Orders

Request Document: Commission agenda [Memorandum](#) dated August 8, 2008 from Ralph Graves, Managing Director, Capital Development Division

Presenters: Bob Riley, Director, Aviation Capital Improvement Program and Janice Zahn, Assistant Director, Engineering, Construction Services

Motion for approval of Item 9b – Davis

Motion carried by the following vote:

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

10. REAL ESTATE

None.

11. GENERAL BUSINESS

b. Commission Motion regarding Port Governance – Motion tabled

12. NEW BUSINESS

Commissioner Bryant provided an update on recent work of the commission's Special Investigative Committee. He provided a revised budget and timeline and explained why both were necessary. He explained that while the original budget provided for an investigation that would be completed by August, it now appears likely that the work will continue through November. He stated that the primary reasons for the need to extend the time are related to the number of documents that must be reviewed and delays in receiving certain documents from some outside contractors.

13. ADJOURNMENT

There being no further business, the meeting was adjourned at 8:35 p.m.

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

Bill Bryant
Secretary