

MINUTES
SPECIAL MEETING - MANAGING MEMBER RETREAT
SEPTEMBER 29, 2020

SEATTLE COMMISSIONERS PRESENT:

Stephanie Bowman
Ryan Calkins
Sam Cho
Fred Felleman
Peter Steinbrueck

TACOMA COMMISSIONERS PRESENT:

Kristin Ang
Deanna Keller
John McCarthy
Dick Marzano
Don Meyer

STAFF PRESENT:

John Wolfe, CEO
Kurt Beckett, Deputy CEO
Don Esterbrook, Deputy CEO
Dana Henderson, General Legal Counsel
Dustin Stoker, COO
Tong Zhu, CCO
David Morrison, Director, Financial Planning & Treasury
Thais Howard, Director, Engineering
Jason Jordan, Director, Environmental Programs & Planning
Lindsay Wolpa, Government Relations Manager
Judi Doremus, Executive Assistant
Leilani Berinobis, Executive Administrative Assistant

9:00 A.M. - PUBLIC SESSION:

1. CALL TO ORDER AND PLEDGE OF ALLEGIANCE:

Commissioner McCarthy convened the special meeting at 9:07 a.m. and led the Pledge of Allegiance.

2. OPENING COMMENTS:

John Wolfe, CEO, gave opening comments and reviewed the agenda. Commissioner McCarthy addressed the challenges of conducting a retreat virtually and encouraged the commissioners to have a full, frank discussion. Each of the 10 commissioners then shared a unique fact about them.

3. 2021 BUDGET DISCUSSION:

- A. Historical cash distribution, revenue, expenses and 2021 targets.
- B. Environmental costs, mandatory versus optional costs.
- C. Leasable acreage.
- D. Establishing a distributable cash target of \$102 M or range of \$100-\$105 M: Increasing revenue versus decreasing expenses and long-term financial health for the homeports and the community. Concentrate on growing revenue rather than cutting muscle during a downturn.
- E. Pandemic effects on SeaTac Airport and the cruise business revenue for Port of Seattle.
- F. Capital Budget was reviewed.
- G. An environmental litigation review was requested.

MOTION: "Set the 2021 distributable cash target to homeports at a range of \$100-105 million."

The motion was moved and seconded.

AMENDED MOTION: "Set the 2021 distributable cash target to homeports at a range of \$100-105 million to be achieved by revenue growth rather than expense cuts."

The amended motion was moved and seconded.

VOTE – AMENDED MOTION CARRIES:

Port of Seattle 4-1

Stephanie Bowman	Aye
Ryan Calkins	Nay
Sam Cho	Aye
Fred Felleman	Aye
Peter Steinbrueck	Aye

Port of Tacoma 4-1

Kristin Ang	Aye
Deanna Keller	Aye
John McCarthy	Nay
Dick Marzano	Aye
Don Meyer	Aye

At 11:52 a.m. Commissioner McCarthy announced a break until 12:15 p.m., at which time Managing Members will convene the closed FMC Session. The Public Session is to reconvene at approximately 1:30 p.m.

Commissioner McCarthy reconvened the Public Session at 1:53 p.m.

4. NWSA SCORECARD:

A. Cargo Volume

B. Job Creation: Requested including direct jobs tied to NWSA operations created beyond ILWU hours. Since the scorecard has been used to evaluate the job of the CEO, Managing Members (MMs) need to be cautious not to make the CEO responsible for jobs outside the NWSA. Obtaining direct and indirect jobs data comes at a cost for this information. Induced and indirect jobs data is more difficult to obtain and increases the cost.

C. Financial Performance: Only one measure of financial returns doesn't give the full picture. Commissioners would like to also see ROA and cash distribution. Measure of efficiency is an important factor. Earned income after expenses is also a good data point to track on the scorecard.

D. Environmental Sustainability: Water quality: Adopting a no-violation policy was proposed. However, tenants often hold stormwater permits and are also the operators. We do not have control over these permits.

E. Purpose of scorecard: Guide staffs' work internally and to communicate out to the community how we are performing.

F. Commissioners would like to keep the scorecard simple.

G. Additional category: Could cover governmental and community relations work.

H. Small subsidy of tax levy support the homeports receive versus the economic development we deliver was pointed out.

5. WEST SEATTLE BRIDGE:

A. Goals and objectives for the bridge were reviewed with emphasis on the low bridge freight access, maritime industry access and strategic economic impact.

B. Timeline was reviewed, including mitigation projects.

C. Cost-Benefit Analysis was reviewed. The timeline of shoring versus repairing versus replacing was reviewed.

D. Role of NWSA in this initiative.

E. NWSA's recommendation awaits further details of the cost-benefit analysis. We need resolution by the time T5 Phase I opens (spring of 2022). Phase II is anticipated to open in 2024.

At 2:54 p.m. Commissioner McCarthy called for a five-minute break. Commissioner McCarthy reconvened the meeting at 3:01 pm.

6. COMMISSIONER PRIORITY-INTEREST AREAS / WORK GROUPS:

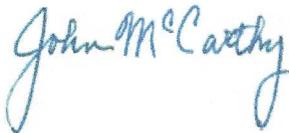
- A. ORCA Quiet Sound Program: Asking for an \$84,000 NWSA contribution, contingent on Port of Seattle contributing \$13,000 and Port of Tacoma contributing \$3,000, for a total of \$100,000. That funding can encourage other partners to join in this initiative.
- B. Tribal agreements will be expiring. The Tribal Liaison work group will be meeting soon on this.
- C. Legislative goals and strategies were discussed.
- D. It was suggested that commissioners provide regular work group updates during MM Meetings.
- E. Commissioners should give input on current/preferred work groups for 2021. Work groups for 2021 will be announced at a later date.
- F. Commissioner Calkins has great interest in a national strategy on stormwater regulation so all states are on a level playing field.
- G. Floating off-shore wind industry: There is a national renewable energy lab study about to take place. The NWSA has been invited to participate in the advisory group. We could then piggy-back on this study with our own specific regional needs.
- H. Seaport resiliency around critical infrastructure: Commissioner Steinbrueck would be interested into delving into risk assessment and a mitigation plan. Commissioner Ang is also interested in resiliency issues.
- I. Seafarers stranded at sea due to COVID: Commissioner Cho will be introducing a proclamation in support of these seafarers.
- J. There is interest in the hemp export industry.

7. COMMISSIONER COMMENTS:

Commissioners made closing comments.

8. ADJOURNMENT:

Commissioner McCarthy adjourned the meeting at 3:54 p.m.



John McCarthy, Co-Chair
The Northwest Seaport Alliance



Peter Steinbrueck, Co-Chair
The Northwest Seaport Alliance

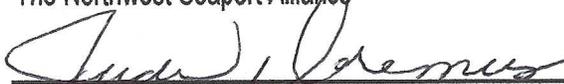
ATTEST:



Sam Cho, Co-Secretary
The Northwest Seaport Alliance



Don Meyer, Co-Secretary
The Northwest Seaport Alliance



Judi Doremus, Acting Clerk
The Northwest Seaport Alliance