

Item No.: 4B-Supp
Date of Meeting: September 4, 2018



**THE NORTHWEST
SEAPORT ALLIANCE**
Gateway to Solutions

The Northwest Seaport Future Managing Structure Second Reading

Presenter: Erin Galeno
Chief Financial and Administrative Officer

Action Requested

Request Managing Members of the Northwest Seaport Alliance (Alliance) to approve Second Reading and final adoption of Resolution 2018-03, addressing the future management structure.

Request Managing Members of the Alliance to approve the Management services Inter-local agreement between the Alliance and the Port of Tacoma.



Background

- **The charter contemplated the need for a temporary period of duality, whereby the NWSA CEO may also serve as the Port of Tacoma CEO for a period of five years commencing August 4, 2015 (“Transition Period”).**
- **During 2018, the Managing Members have engaged in discussions in public and FMC sessions to evaluate potential management structures beyond the transition period.**



Alternatives Considered

The Managing Members evaluated three different alternatives:

- 1. Stand-alone organizations for the NWSA and the homeports.**
 - a. This alternative was eliminated due to the significant costs and time associated with developing separate information technology and increased staffing.



Alternatives Considered

The Managing Members evaluated three different alternatives:

- 2. Separate Executive Leadership with support services maximized from the homeports.**
 - a. This alternative was discussed extensively and ultimately determined to create additional staffing costs beyond the 3rd alternative and limited direct management oversight for work being performed on behalf of the NWSA.



Alternatives Considered

The Managing Members evaluated three different alternatives:

- 3. Separate Leader for the Port of Tacoma with NWSA Executive leadership managing the support services from the Port of Tacoma.**
 - a. This alternative was selected as the most cost effective solution while providing separation at the leader level for the NWSA and POT.
 - b. An estimated 70% of the total costs of the POT support services are on behalf of the NWSA as compared to 6% of the total costs to support the Maritime activities at the Port of Seattle.



Materials Provided

The following supporting materials have been provided to the Managing Members and the public:

- Resolutions for the NWSA and the Port of Tacoma
- The Management services Inter-local agreement
- The Management organization structure diagram with supporting department charges for both homeports
- The NWSA Charter including the original maps of licensed and non-licensed properties
- Current maps showing licensed/non-licensed properties
- The Marine Cargo Supply Chain visual
- The high-level transition plan schedule
- Draft job descriptions for the NWSA and Port of Tacoma leader roles



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