

THE NORTHWEST SEAPORT ALLIANCE  
MANAGING MEMBER MEETING MINUTES  
TUESDAY, SEPTEMBER 4, 2018  
The Fabulich Center, Room 104  
3600 Port of Tacoma Road, Tacoma, Washington

**SEATTLE COMMISSIONERS PRESENT:**

Courtney Gregoire, President  
Stephanie Bowman, Vice President  
Fred Felleman, Co-Secretary  
Ryan Calkins, Commissioner  
Peter Steinbrueck, Commissioner

**TACOMA COMMISSIONERS PRESENT:**

Don Meyer, Co-Chair  
Clare Petrich, Vice President  
Don Johnson, Co-Secretary  
Dick Marzano, Commissioner  
John McCarthy, Commissioner

**NWSA STAFF PRESENT:**

John Wolfe, CEO  
Don Esterbrook, Deputy CEO  
Kurt Beckett, Deputy CEO  
Carolyn Lake, Legal Counsel  
Tom Tanaka, Legal Counsel  
Sean Eagan, Dir. Government Affairs  
Ryan McFarland, Federal Government Affairs  
Erin Galeno, CFAO  
David Morrison, Deputy Treasurer  
Jason Jordan, Dir. Environmental & Planning Services  
Juliet Campbell, Clerk of the Port

**11:30 AM: MANAGING MEMBER MEETING:**

**1. CALL TO ORDER:**

Commissioner Meyer called the regular Managing Member Meeting to order at approximately 11:30 am and lead the group on the Pledge of Allegiance.

**2. CONSENT AGENDA:**

- A. Minutes of August 14, 2018
- B. Check Certification approving the payment of checks 703766 through 703856 and wire transfers in the total amount of \$2,131,412.05 during the period of August 4, 2018 through August 24, 2018.

*Motion was made by Commissioner Petrich; seconded by Commissioner Gregoire:  
"Approve the consent agenda."*

**PORT OF SEATTLE VOTE:**

Commissioner Gregoire	Aye
Commissioner Bowman	Aye
Commissioner Felleman	Aye
Commissioner Calkins	Aye
Commissioner Steinbrueck	Aye

**PORT OF TACOMA VOTE:**

Commissioner Meyer	Aye
Commissioner Petrich	Aye
Commissioner Johnson	Aye
Commissioner McCarthy	Aye
Commissioner Marzano	Aye

**MOTION CARRIES 5-0 / 5-0**

The order of the Agenda was revised without objection. It was decided to hear the presentation from Dr. Walter Kemmsies, Item 5A, prior to Public Comment.

**3. PUBLIC COMMENT:**

John Persak: ILWU Local 19 Seattle. Spoke in support of Terminals 5, 46, and 30 remaining breakbulk and box cargo terminals. Listed certain infrastructure and other improvements benefiting the terminals over the past 10 years.

Katie Garrow: Deputy Executive Director, MLK Labor Council, King County. Read from a resolution asking the NWSA Managing Members to expedite plans to revitalize Terminal 5 (T5), to include provisions for labor peace and workplace safety as a condition of the lease of T5; expand or backfill cargo operations at terminals impacted by new operation at T5, that no public money be used to automate jobs away from T5, and promote growth of cargo.

**4. ACTION AGENDA:**

**A. NWSA Federal Lobbying Services PSA**

*Presented by Sean Eagan, Dir. Government Affairs and Ryan McFarland, Federal Government Affairs*

*Motion was made by Commissioner McCarthy; seconded by Commissioner Petrich:*

**“Authorize the Chief Executive Officer (CEO) to execute the two-year option contained in personal services agreement number 070409 with Signal Group Consulting, LLC for federal lobbying services.”**

Discussion Included:

1. Concerns were raised by commissioners related to how the current administration awards its TIGER and INFRA grants. Information provided in an article in Eno Transportation Weekly asserts that 78% of INFRA grant money announced this year went to states that carried President Trump.
2. The TIGER and INFRA grant award processes are highly competitive. Applicants compete on merit at the initial level of screening. Once the applications advance to the Secretary of Transportation there is less transparency over the process. Concerns as to transparency have been raised during both the current and prior administrations.
3. There are not enough grants awarded to say that Washington state should get one every year. However, if meritorious projects in this gateway continue to be overlooked, alternatives for addressing the issue should be addressed.
4. The NWSA’s approach do addressing the Harbor Maintenance Tax (HMT) was discussed. Commissioners questioned whether the timing is right for the alliances’ lobbying team to explore different tactics given the current climate in DC.

**PORT OF SEATTLE VOTE:**

Commissioner Gregoire	Aye
Commissioner Bowman	Aye
Commissioner Felleman	Aye
Commissioner Calkins	Aye
Commissioner Steinbrueck	Aye

**PORT OF TACOMA VOTE:**

Commissioner Meyer	Aye
Commissioner Petrich	Aye
Commissioner Johnson	Aye
Commissioner McCarthy	Aye
Commissioner Marzano	Aye

**MOTION CARRIES 5-0 / 5-0**

**B. Second Reading/Final Adoption Management Structure Resolution 2018-03.**

*Presented by Erin Galeno, Chief Financial & Administrative Officer*

*Motion was made by Commissioner Johnson; seconded by Commissioner Gregoire:*

**“Approve the second reading and adopt Resolution 2018-03, addressing the future management structure.”**

Discussion Included:

1. Cost allocation is reviewed at least annually. Actuals and the scope of work are integrated into the budgeting process.

2. Commissioner Felleman had concerns related to legal advice and the tribal consultation process under the previously proposed structure. Those concerns appear resolved in the revised proposal. Legal advice to the NWSA will be independent of Port of Tacoma advice. Tribal consultation, while primarily a homeport obligation, may impact NWSA assets. A decision whether to a public affairs person for the NWSA has not been made.
3. Commissioner McCarthy outlined his concerns with the proposed structure. Specifically, he states it is too broad in terms of what is turned over to the NWSA from the Port of Tacoma, the NWSA will have too much authority over Port of Tacoma employees, legal liability is imposed on the Port of Tacoma for management decisions of the NWSA, and more time is needed and available to reconsider what should be included in the alliance.
4. Commissioner Gregoire noted that one of the goals of the NWSA was equitable investment. It was noted that for 2016-2017, 88% of NWSA expenses and capital investments were in the South harbor - 12% in the North harbor. A plan is in place to bring the alliance to equitable investment. She disagreed that there are any grounds to renegotiate the term of the NWSA at this time
5. Commissioner Meyer acknowledged the obligation to move forward with removing the dual role for the CEO and is committed to doing so but cannot support what is in writing before the Managing Members today. He raised concern regarding the role of the future Port of Tacoma leader in collective bargaining and bond rating activities.
6. The proposed structure is how the Port of Tacoma and NWSA currently operate. The new Port of Tacoma leader will have all the same staff and resources to support the homeport currently available through service agreements. Additionally, the leader will have opportunity to hire new resources if needed.
7. The Port of Tacoma Executive Leader job description in the packet is a draft. Edits were suggested to clarify the experience desired of the new leader. This includes experience in maritime industrial logistics, real estate development and economic development.

**PORT OF SEATTLE VOTE:**

Commissioner Gregoire	Aye
Commissioner Bowman	Aye
Commissioner Felleman	Aye
Commissioner Calkins	Aye
Commissioner Steinbrueck	Aye

**PORT OF TACOMA VOTE:**

Commissioner Meyer	No
Commissioner Petrich	Aye
Commissioner Johnson	Aye
Commissioner McCarthy	No
Commissioner Marzano	Aye

**MOTION CARRIES 5-0 / 3-2**

*Motion was made by Commissioner Johnson; seconded by Commissioner Petrich:*

**“Approve the Management Services Interlocal Agreement between the Northwest Seaport Alliance and the Port of Tacoma.”**

**PORT OF SEATTLE VOTE:**

Commissioner Gregoire	Aye
Commissioner Bowman	Aye
Commissioner Felleman	Aye
Commissioner Calkins	Aye
Commissioner Steinbrueck	Aye

**PORT OF TACOMA VOTE:**

Commissioner Meyer	No
Commissioner Petrich	Aye
Commissioner Johnson	Aye
Commissioner McCarthy	No
Commissioner Marzano	Aye

**MOTION CARRIES 5-0 / 3-2**

## 5. STUDY SESSION

### A. Global Economic Trade Update

*Introduced by John Wolfe, CEO; Presented by Dr. Walter Kemmsies, Chief Economist, PAGI Group, JLL*

CEO Wolfe noted that this study session is a step toward the NWSA plan to update its strategic business plan which will be brought before the commissioners before the end of the year. Dr. Kemmsies presentation is meant to set the context for key initiatives that will move the NWSA through the budget process and into next year.

Dr. Walter Kemmsies gave a presentation on the outlook for the drivers and rules of global trade. The focus of the presentation was on how global macroeconomic trends and emerging policies will impact the volumes of the NWSA.

## 6. STAFF BRIEFING:

### A. 2018 Midyear Financial Forecast

*Presented by David Morrison, Deputy Treasurer*

Staff provided an update on the NWSA financial results for the first half of 2018. This included going over the status of key measures through June 2018 and a brief full year forecast. Cargo and market specific information was not included in this presentation, it will be addressed as the 2019 budget process proceeds.

## 7. GENERAL BUSINESS:

### A. CEO Announcements, Events, Recognitions

Foss Maritime at T5 in the Seattle Harbor has informed the NWSA of a contract they have with the US Army to move preplanned, resupply and rotation of forces through T5 over the next several weeks. The military briefed the City of Seattle, County, State, and congressional staff on Friday. They have been transparent about the intended purpose getting the resources to the men and women already serving on the Korean peninsula.

### B. Clean Truck Program

*Presented by Kurt Beckett, Deputy CEO; Jason Jordan, Dir. Environmental & Planning Services; Sara Cederberg, Environmental Sr. Project Mgr.*

#### Discussion Included:

1. Outreach continues to solidify the message that the compliance deadline is real. Outreach also includes the loan program and other matters that aim to ensure the successful transition to the new cleaner trucks (eg. diesel particulate filter maintenance, business strategies in general and safe truck operations).
2. The temporary access pass program that allowed non-compliant trucks to operate at the Port until the end of the year, required a commitment from those drivers to provide monthly updates on their progress toward updating their non-compliant truck(s). The response rate has been poor.
3. Currently, the Clean Truck Fund has enough dollars to convert 500 trucks.
4. Based on feedback from several CDFIs, staff is recommending the 10% loan loss reserve be by pool of loans made by a lender instead of per loan. This reduces the lender's risk and potentially allows for additional opportunities for loans.
5. Commissioner Calkins wants staff to be thinking about what will be done if the winning CDFI bidder is unable to successfully roll out this program in time to accommodate the Clean Truck compliance deadline. Staff noted there are at least two CDFIs and have engaged a non-profit financial counselor that will be meeting with drivers and helping with upfront paperwork and underwriting prepped for them.

**8. COMMISSIONER COMMENTS:**

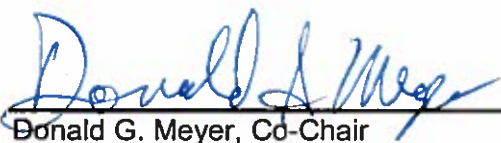
Commissioner Steinbrueck: Informed the group of an upcoming networking opportunity with business representatives and political leadership in Fairbanks, Alaska - October 23-27, 2018.

Commissioner Felleman: Urged the Managing Members to consider whether it is appropriate for the Managing Members to support the Carbon Initiative. Analysis would be required. He noted that Maritime and Aviation fuels are exempt, but fuel for cargo-handling equipment is not. The Initiative creates a billion-dollar fund to electrify the terminals. Inquiries are already to come in from the public.

Commissioner Bowman: The Sound Transit Elected Leaders Group is going to the Level 2 screening of the alternatives. Staff will be putting together the port's position taking into considerations the impacts of the alternatives on the NWSA and the Port of Seattle's operations.

**9. ADJOURNMENT:**

There being no further business, Commissioner Meyer adjourned the meeting at 2:12 pm.



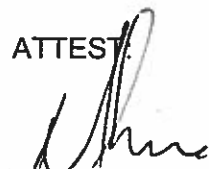
Donald G. Meyer, Co-Chair  
The Northwest Seaport Alliance



~~Courtney Gregoire~~ Co-Chair  
The Northwest Seaport Alliance

Stephanie Bowman, acting

ATTEST:



Donald C. Johnson, Co-Secretary  
The Northwest Seaport Alliance



Ryan Calkins, Co-Secretary  
The Northwest Seaport Alliance



Juliet Campbell, Clerk of the Port  
The Northwest Seaport Alliance

