

SPECIAL COMMISSION MEETING MINUTES

September 24, 2021

1:30 pm – Virtual Meeting

The Port of Tacoma Commission met for a special meeting on September 24, 2021. Commissioners Ang, Keller, McCarthy, Marzano and Meyer were all present via telephone/video conferencing. This special meeting took the place of our regular meeting on September 16, 2021 and it was given proper notice.

CALL TO ORDER

The meeting was called to order at 1:31 pm and Commissioner Marzano led the Pledge of Allegiance. He then recessed into Executive Session until 2:10 pm to discuss:

- (1) One item of potential litigation per RCW 42.20.110(1)(i)

No votes were taken and no decisions were made.

RETURN TO ORDER

Commissioner Marzano returned the meeting to order at 2:15 pm.

APPROVAL OF THE AGENDA

The agenda was adopted by unanimous consent.

SPECIAL ORDERS OF BUSINESS

None.

CONSENT AGENDA

- A. Approval of the Check Certification: July 31, 2021 through August 27, 2021.
- B. Approval of the Minutes: August 19, 2021

MOTION: Approve the above stated Consent Agenda

Motion was made and seconded.

VOTE: MOTION CARRIED 5-0

PUBLIC TESTIMONY

None.

EXECUTIVE DIRECTOR'S REPORT

- **City of Tacoma's Regulation Process:** Eric Johnson reported that the City's Infrastructure, Planning and Sustainability Committee, led by Councilmember Conor McCarthy, met over the summer to make recommended changes to the draft regulation process. The Port had some reservations with the original regulations put forward. The subcommittee made a number of improvements to this document and things were clarified. Staff will get a report out to the Commission of the changes that were made. The full council will meet on Tues, Oct. 5th and we will be able to testify during this meeting. They hope to have the updated regulations adopted by the end of October.
- **Blair Deepening Project:** Executive Director Johnson had a number of productive meetings with the Army Corps. of Engineers and the Assistant Secretary of the Army's Office in Washington D.C. regarding the timelines for the Blair Deepening project. We want to ensure that the federal agency review processes occur fast and efficient enough that we will be eligible for inclusion in the federal WRDA legislation of 2022. This is the big funding package for waterways projects that comes out every few years. Things are on-track there. Commissioner Marzano is also participating in some high-level meetings on this topic this week.
- **Federal Vaccine Mandate:** We are studying the Executive Order that came out of President Biden's office requiring employers of greater than 100 people and federal contractors to require their employees be vaccinated against COVID-19. All of the guidance for that has not yet been published. When we get all of that information we will be able to determine if this will affect the Port of Tacoma. We will get back to you on that.

Commissioner McCarthy: Stated that he is concerned about the statement of waiting to see if the federal government will require the Port of Tacoma to implement a vaccine mandate. He stated that we have the ability to make vaccines a requirement of employment. He is opposed to virtual meetings, and stated, "If people are vaccinated, then in-person meetings will be much safer. The Port of Seattle just implemented a vaccine mandate. The Port of Tacoma doesn't have to wait for the federal government to require it if there is a will to do so on our own." Commissioner McCarthy would like to see a vaccination mandate put on the agenda for consideration as soon as we are able.

Executive Director Johnson confirmed that the City of Seattle, King County and the Port of Seattle have all made that announcement recently. He is not aware of any Pierce County agencies taking this stance. He stated that they will wait to gather all of the guidance from the federal government and make a decision at that point. This is a bit controversial. He has not gotten a consensus yet from all of the commissioners on that. Johnson stated that we are expecting to come up with some recommendations on that very soon.

Commissioner Marzano: Stated that the Port of Seattle gave the date of 11/15/21 as the deadline for staff to complete their vaccinations. We should be able to get more information by our next meeting to make that date viable, giving people enough time to complete their vaccinations if that decision is made.

Commissioner Keller: Stated that she understands Commissioner McCarthy's urgency about getting vaccines in arms, but she wants to ensure that everybody's voice can be heard and that everyone's constitutional rights are protected.

Commissioner Meyer: Stated that he would like this to be on the regular October meeting agenda so the Commission can hear the options and either vote it up or vote it down. He stated it is time we take action on this.

- **Financials through August 2021:** The financials look great. Some of that is due to increased disbursements from the NWSA. Our overall ratio of revenue to expenditures is much better than budgeted. This is very good news.
- **Workforce Development:** I met with the Director of Workforce Central, Katie Condit, and we discussed partnering on our workforce development initiative here at the Port. There are some productive opportunities for us in this space. More to come on that.
- **Globe Awards:** Next week is the annual Globe Awards event at the Youth Marine Foundation. Most of you have RSVP'd for this event. He looks forward to seeing you all there.

COMMISSION ACTIONS

A. Resolution 2021-15-PT: National Hispanic Heritage Month

MOTION: Adopt Resolution 2021-15-PT, Recognizing September 15, 2021 through October 15, 2021 as National Hispanic Heritage Month and calls upon the people of Pierce County to recognize the achievements of the Hispanic/Latino community and to celebrate the great diversity of the American people.

Motion was made and seconded.

DISCUSSION:

1. Commissioner Marzano read the resolution into the record.
2. Commissioner Meyer stated that he is very glad we are recognizing the minority groups in our community that have played a key role in the Port getting to where we are today and hopefully playing an increased role in the future. He is thankful that we are implementing the Diversity, Equity and Inclusion policy that was passed and giving it some value.
3. Commissioner Keller stated that she is very proud to be able to spotlight our Hispanic and Latino community and that we are special because of our diversity.
4. Commissioner McCarthy is very pleased to support this.

VOTE: MOTION CARRIED 5-0

B. Port Administration Building Enhancement Project and Port CCTV Camera Expansion Project

MOTION: Approve the following:

1. **Project authorization in the amount of \$265,000, for a total authorized amount of \$390,000 for work associated with the Port Administration Building Security Enhancement project, MID 101339.05;**
2. **Project authorization in the amount of \$205,000, for a total authorized amount of \$330,000 for work associated with the Port CCTV Camera Expansion project, MID 101503.01.**

Motion was made and seconded.

DISCUSSION:

1. Louis Cooper gave the background on the need for these projects and the security assessment deficiencies that were found in April of 2019.
2. Due to the deficiencies, Port staff applied for and was awarded a US Department of Homeland Security Fiscal Year 2019 Port Security Grant, which will cover up to 75% of the eligible costs for this project, but no more than \$448,856.
3. This enhancement includes mostly hardware. The Commission asked if this project would also include software and storage, which it does. Because we are a strategic Port, Commission wants to ensure that our systems are encrypted and that there is coordination with the Tacoma Police Department. Chief Fiola stated that Port Security interfaces with Tacoma Police and Tacoma Fire on a regular basis and reviewed the Security process in responding to emergencies. The camera footage is kept for different amounts of time based on the location of the cameras. Some are kept for seven days, while others in more strategic locations are kept for 30 days. If an incident occurs, then that footage goes into an evidentiary process through Incident Command.
4. The Commission asked how we coordinate the security enhancements with our customers.
5. Commissioner Meyer asked about RFID for our domestic terminals and our Clean Truck program and whether these cameras could be used to identify trucks coming in the gate. The cameras will give more awareness inside and outside the gate from a security standpoint. He asked if this program could help us move forward to getting RFID capability in our domestic terminals. Staff responded that the RFID technology is quite different than the camera technology. RFID doesn't actually use cameras.
6. Commissioner McCarthy questioned investing more money into our administration building when we will be building a new administrative building in the fairly near future. Executive Directory Johnson responded that we are still going to be in this building for at least another three years and with the grant money we received we wanted to take care of the safety deficiencies that were found. This building may continue to be used even after we leave and it needs to be maintained. Even if the current building were to be demolished, the cameras and infrastructure could be moved to another building.
7. Commissioner Keller is very supportive of any security enhancements that can be made at our administration building. She feels that this project is a fairly low dollar amount. She would like to see what we are doing and how we can coordinate with other state agencies to safeguard our strategic Port.

VOTE: MOTION CARRIED 5-0

NONACTION - NEW BUSINESS

None.

COMMITTEE REPORTS

None.

ISSUE BRIEFINGS

A. Mitigation Banking Policies

1. The Credit Needs analysis was reviewed.
2. Commissioner McCarthy had questions regarding the value of the credits. He asked who makes the decision as to how many credits are needed for a project's impact and how many credits a wetland mitigation project is worth. This was discussed. The ACE and Ecology have robust guidance documents on how credits and mitigation projects are valued.

3. Commissioner Ang asked about how other Ports sell their extra mitigation credits and what our criteria would be to determine who we will sell credits to, for example, selling credits for affordable housing. She also asked how much of a reserve the Port of Tacoma needs. This bank is wholly Port owned and managed. Other ports who have banks have them in partnership with a private party and the port would supply land and financing and get a certain reserve of credits out of the bank, and the rest would be sold on the open market. We do have a surplus of credits and the question becomes what do we do with the surplus. We don't yet have the criteria for selling credits in place yet.
4. Regulatory uncertainties were discussed.
5. On the project side, our wetland mitigation needs are solid at this point. We have an inventory of critical properties and what projects will fulfill our Strategic Plan. This includes a 15% contingency of credits. Some of the projects on that list may not go forward, but other projects could surface and take their place. There are only so many critical areas we could impact at this point, but a lot depends on if you are looking at the next 10 years or the next 100 years.
6. Staff will return to give an update on the mitigation strategy and our credits. We'll review how we keep a running balance of required credits to position the Port to have the most cost-efficient mitigation strategy possible.
7. Staff reviewed the possible scenarios for selling mitigation credits requested by outside entities and Port initiated sales. In either case staff would return to Commission for approval prior to selling any credits. There is no obligation to sell any credits.

B. Stormwater Infrastructure Funding Study

1. The Port has its own municipal Stormwater Permit program (MS4 program). We have been coordinating with the City since 2009 on the overlapping roles and responsibilities of that MS4 program. As a result of that, the Port and its tenants spend approximately \$2.7 million towards the City's stormwater utility. Because this is such a big number and because there is such a backlog of projects, in terms of managing our own infrastructure, we wanted to share ideas of how we might continue to fund that going forward.
2. We have studied setting up our own stormwater utility, how they function, how they are formed and how they operate to benefit our tenants.
3. The reasons for evaluating these stormwater funding options were discussed. Our preliminary estimated annual stormwater program revenue needs will be going up to approximately \$3.7 to \$4 million. Additionally, we would need to send \$2.5 million to the City on top of this amount.
4. Options considered include taxes (general and special), bonds, a Local Improvement District, grants and loans, as well as renegotiating our stormwater ILA with the City of Tacoma and forming our own stormwater utility. The criteria used to evaluate these options were discussed. Staff recommends that the Port pursue a stormwater utility. The Port of Seattle has successfully established their own stormwater utility.
5. The financial impacts were reviewed. By setting up our own utility, the funds would stay in our system rather than being exported to the City, putting \$2.5 million back into play. This would also decrease the stormwater demands on the Port's General Fund and could be a new line of business. However, it would increase our FTEs with adding staff to run this program.
6. The next steps were discussed. Staff plans to return in December with refined revenue needs and preliminary rates, the status of our ILA negotiations with the City, recommended implementation steps, schedule and key issues. We will request approval for going forward with establishing a utility, especially if negotiations are not going well.
7. Commissioner Keller stated that as a business owner you want to have control of your own destiny. This is a way to do that. She is not afraid of financing setting up our own utility as long as it meets covenants, there is return on investment and it is meeting our strategic plans.
8. Commissioner McCarthy is supportive of this approach. He asked what we have been paying annually for stormwater, which is \$1.4 million. So, we are looking at a very large bump in the cost going forward using the City's utility.
9. Commissioner Meyer would like to see a cost-benefit comparison. He is against using bonds. He is concerned about setting up another system when the City has one in place. He hopes that negotiations go well with the City; however, he likes us positioning ourselves so that we have another option.

ANNOUNCEMENTS / COMMISSIONER COMMENTS

Commissioner Ang: She and Commissioner Keller met with Mayor Woodards last week regarding homelessness in the Tideflats. She looks forward to hearing about properties that could be available and also ILWU's thoughts on this issue.

Commissioner Keller: Shared a "Friday Afternoon Limerick" as a shout out for our Environmental and Planning staff: There is a Port named Tacoma, made fun of because of her bad aroma, she is cleaning up her act, with the help of her staff, and now the fish again call her home!

Commissioner Marzano: Thanked staff for all of their hard work for this meeting today.

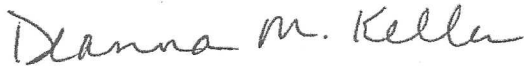
ADJOURNMENT

With no further business, Commissioner Marzano adjourned the meeting at 4:20 pm.

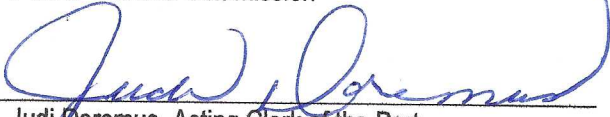


Dick Marzano, President
Port of Tacoma Commission

Attest:



Deanna M. Keller, Secretary
Port of Tacoma Commission



Judi Doremus, Acting Clerk of the Port
Port of Tacoma