

**BOARD OF COMMISSIONERS  
THE FABULICH CENTER, ROOM 104  
3600 PORT OF TACOMA ROAD, TACOMA, WASHINGTON**

**COMMISSIONERS PRESENT**

1. Don Meyer, President
2. Clare Petrich, Vice President
3. Don Johnson, Secretary
4. John McCarthy, 1<sup>st</sup> Assistant Secretary
5. Dick Marzano, 2<sup>nd</sup> Assistant Secretary

**STAFF PRESENT**

1. John Wolfe, Chief Executive Officer
2. Carolyn Lake, Port Counsel
3. Louis Cooper, Senior Director, Security and Labor Relations
4. Gerard Fiola, Chief, Port Security
5. David Myers, Project Manager II, Engineering
6. Loni Shorten, Manager, Human Resources
7. Mark Little, Director, Contracts and Purchasing
8. Rob Healy, Senior Project Manager, Environmental Quality
9. Norman Gilbert, Project Manager II, Engineering
10. Stan Ryter, Project Manager II, Engineering
11. Judi Doremus, Executive Assistant
12. Juliet Campbell, Clerk of the Port

**9:00 A.M.: EXECUTIVE SESSION**

**1. CALL TO ORDER:**

Commissioner Meyer called the Commission Meeting to order at 9:00 a.m. and then recessed into Executive Session for approximately three hours and 15 minutes.

**2. RECESS INTO EXECUTIVE SESSION:**

- A. Four (4) Litigation/Potential Litigation Items: RCW 42.30.110(1)(i)
- B. One (1) Real Estate Selling/Leasing Item: RCW 42.30.110(1)(c)

No decisions were made and no votes were taken.

**12:00 NOON: COMMISSION MEETING**

**1. RETURN TO ORDER:**

Commissioner Meyer reconvened the Commission Meeting at approximately 12:17 p.m. and a flag salute was performed.

**2. CONSENT AGENDA:**

- A. Minutes of February 2, 2018, February 22, 2018 and February 23, 2018.
- B. Check/Wire Certification: Approval of Certification of Checks #217642 through #217827 and wire transfers in the total amount of \$4,041,879.10 during the period February 12, 2018 through March 2, 2018.

*Motion was made by Commissioner Petrich, seconded by Commissioner Johnson:*  
**“Approve the Consent Agenda.”**

**VOTE: MOTION CARRIED 5-0**

**3. PUBLIC COMMENT: None.**

**5A. GENERAL BUSINESS - OFFICER RECOGNITION:**

Commissioner Meyer adjusted the Agenda to accommodate the schedules of Port of Tacoma Security Officers being recognized at the meeting.

Port of Tacoma Security Officers Greg Hopkins, Russ Drake, Chris Grant and Gil Fussell and Customs and Border Protection Officer Cherney were recognized for exemplary service related to an incident involving a possible suicide attempt. The officers have been nominated for a Life Saving Award from The Office of the Governor. Citizen involvement was also recognized and the two individuals have been nominated for a Life Saving Award through the Red Cross.

**4. ACTION AGENDA:**

**A. Upper Clear Creek Mitigation Site:**

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

**“Authorization in the amount of \$1,800,000 for a total authorized amount of \$4,050,000 for work associated with the Upper Clear Creek Mitigation Site.”**

Discussion Included:

1. An update on the Upper Clear Creek Mitigation Site was provided. Contract required mediation was unsuccessful and the Port is moving forward with litigation.
2. The additional authorization request includes project and legal fees.

**VOTE: MOTION CARRIED 5-0**

**B. Master Benefit and Salary Resolution 2018-02-PT:**

*Motion was made by Commissioner Marzano, seconded by Commissioner McCarthy:*

**“Adopt Resolution 2018-02-PT the Master Benefit and Salary Resolution.”**

Discussion Included:

1. Changes to the salary structure and benefits were highlighted including the Washington Paid Sick Leave Act and a Cost of Labor adjustment to the non-represented salary structure.
2. Commissioners want the salary grid and shift to the mid-point included in future resolutions.
3. Payroll costs are disclosed in the Annual Operating Budget.

**VOTE: MOTION CARRIED 5-0**

**C. Master Policy Resolution 2018-01-PT:**

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

**“Adopt Master Policy Resolution 2018-01-PT, granting administrative authority to the Chief Executive Officer.”**

Discussion Included:

1. Reporting of brokerage commissions and the need for a work study session on the topic was discussed.
2. The policy of the Port of Tacoma is to provide annual evaluations of non-represented staff. Commissioner Meyer wants confirmation that this is a written policy.

**VOTE: MOTION CARRIED 5-0**

**D. Authorization for Settlement Agreement for Hylebos Waterway Cleanup Overrun:**

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

**“Authorize the CEO or his delegate to execute a Settlement Agreement with the U.S. Department of Justice for Hylebos Waterway Cleanup Cost Overrun, Master Identification No. 092135 – Mouth of Hylebos Project Authorization.”**

Discussion Included:

1. A background of the Hylebos Waterway Cleanup project was provided.
2. The remaining cost overrun claims are against Joseph Simon & Sons, the City of Tacoma, and the United States. The Commission approved settlements with Joseph Simon & Sons and the City of Tacoma and those funds are in an escrow account. If approved, upon execution, the United States Department of Justice settlement will fund the escrow account and the four performing parties will mediate final allocation.
3. Commissioner Meyer expressed frustration regarding the process and cost in getting to a settlement agreement.

**VOTE: MOTION CARRIED 5-0**

**E. Parcel 15 – Portac, Inc. Settlement Authorization:**

*Motion was made by Commissioner Marzano, seconded by Commissioner Petrich:*

**“Authorize the CEO or his delegate to execute a settlement agreement with Portac, whereby Portac pays the Port of Tacoma a lump sum of \$8,600,000 and the Port agrees to undertake all responsibility for future environmental investigation, cleanup and remedial action at Port Parcel 15, Master Identification No. 099597.”**

Discussion Included:

1. The Port and Portac have completed the requirements of the March 2016 Agreed Order to complete the Remedial Investigation and Feasibility Study (RI/FS). Ecology has approved the Feasibility Study which identifies the preferred remedy.
2. Findings of the Feasibility Study were discussed. Work is needed to reach Model Toxic Control Act compliance. The sawmill area has a relatively simple remedy. The remedy for the log yard area is more complex and will occur in phases.
3. Portac’s estimated share of the combined area remedies is \$5,526,000.
4. The basic terms of the Settlement Agreement were highlighted.
5. The Settlement Agreement would include removing Portac, Inc. as a signatory to the Agreed Order. Ecology is aware of this term and staff does not anticipate this being an issue.
6. Commissioner Meyer noted that Portac, Inc. (a subsidiary of Mitsui) has been a key customer of the Port and thanked Portac for 35 years of operating.

**PUBLIC COMMENT:**

Masaru Namiki, Portac, Inc.: There have been many discussions between Portac and the Port of Tacoma team in accomplishing the goals of the Agreed Order. This is a remarkable goal to achieve.

**VOTE: MOTION CARRIED 5-0**

**F. PSGP 2015 Camera and TWIC Readers:**

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

**“Authorization in the amount of \$930,000 for a total authorized amount of \$1,055,000 for the PSGP 2015 Camera and TWIC Readers, Master Identification No. 101067.01.”**

**Discussion Included:**

1. The project includes the purchase of new security equipment, replacement of existing equipment, and installation of new cameras throughout the Port of Tacoma.
2. Partially funded by a Port Security Grant Program (PSGP) grant awarded to the Port of Tacoma FY 2015. The grant will cover 75 percent of eligible costs.
3. The Port will replace four cameras and 17 TWIC readers. The cameras and equipment being replaced have been in service for five years.
4. There will be 22 new cameras at 16 locations throughout the Port.
5. The Port’s security control center is equipped to handle the increased camera service demand.

**VOTE: MOTION CARRIED 5-0**

**G. Maintenance Mezzanine and Shed Heating Project:**

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

**“Authorize a project authorization increase in the amount of \$95,000 for a total authorized amount of \$585,000 for the Maintenance Mezzanine and Shed Heating project, Master Identification No. 101140.01.”**

**Discussion Included:**

1. Of the three bids received, the low bid was 35 percent higher than the engineer’s estimate.
2. The Port’s engineering consultants attributed the high bids to rapid change in the market place, contractors’ preference to commit resources to larger projects and scarcity of skilled labor and trades.
3. Engineering News-Record published the City Cost Index for the Seattle area as 8.4 percent higher year over year. The Index has been flat for the last four years and began to spike in November 2017. These indices are lagging indicators.
4. The Director of Engineering has asked that all upcoming project budgets be revisited and the largest and most complex projects are to have an independent cost estimate.
5. The three bids were within 10 percent of each other, indicating that contractors are viewing the scope, labor, materials and difficulty of the project similarly.

**VOTE: MOTION CARRIED 5-0**

**5B. GENERAL BUSINESS – EVENTS, RECOGNITION AND ANNOUNCEMENTS:**

1. The 2018 legislative session adjourned for the year on March 8, 2018. SB 6329 authorizing public ports to use on-call contracting passed. CEO John Wolfe thanked Senator Dean Takko for sponsoring the bill.
2. The capital budget passed and includes \$3.1 million in Remedial Action Grant funding for a number of Port of Tacoma projects.
3. CEO Wolfe thanked contract lobbyist, Lisa Thatcher, for her work on both SB 6329 and the capital budget. He also thanked The Port of Tacoma Director of Government Affairs, Sean Eagan, for his work.
4. The Port participated in the Children’s Water Festival at the University of Puget Sound. Over 700 fifth graders participated. Port staff discussed pH, turbidity and how the Port is successfully treating stormwater. CEO Wolfe thanked Leslie Barstow, Deanna Seaman, Kim Mahoney and Anita Fichthorn for their work on this event.

**6. COMMISSIONER COMMENT:**

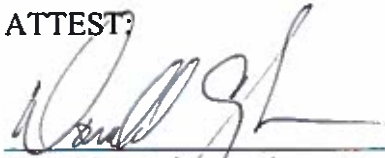
1. **Commissioner McCarthy:** Thanked Dakota Chamberlain, Jane Vandenberg and Trevor Thornsley for the tour of the new container cranes and projects at Pier 3 and Pier 4. He also thanked Port staff for their work getting him oriented over the past few months.
2. **Commissioner Petrich:** Projects in the community are being evaluated against the cost of the new cranes. There will be a Centennial Celebration planning presentation next month.
3. **Commissioner Marzano:** Commented on a Letter to the Editor which seemed to indicate, incorrectly, that The Port of Tacoma is involved with the Detention Center. Commissioner Marzano wants the public to understand that the Detention Center is not the Port’s property, the Port has no involvement with it and the Port has not supported it in any way, shape or form. The Commission and staff need to focus on how tariffs being imposed by the current administration will impact the Port and its customers. He visited an automated facility while attending the TPM Conference. He shared a story on the origin of the term, “March Madness.”

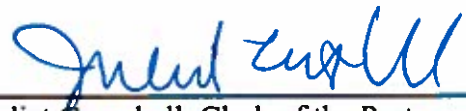
**7. ADJOURNMENT:**

There being no further business, President Meyer adjourned the meeting at 1:30 p.m.

  
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Donald G. Meyer, President  
Port of Tacoma Commission

ATTEST:

  
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Donald C. Johnson, Secretary  
Port of Tacoma Commission

  
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Juliet Campbell, Clerk of the Port  
Port of Tacoma