

COMMISSION AGENDA

Item No.: 4A

Meeting: 11/25/19

DATE: November 25,2019
TO: Commission
FROM: Eric Johnson, Executive Director
Erin Galeno, Chief Financial and Administrative Officer
David Morrison, Director, Financial Planning and Treasury
SUBJECT: 2020 Budget & Tax Levy

A. ACTION REQUESTED

Consider three resolutions and one action to approve an Interlocal Agreement (ILA) for support services:

1. **Resolution No. 2019-12-PT:** Adopt the 2020 Statutory Budget.
2. **Resolution No. 2019-13-PT:** Direct the Secretary to certify to the Clerk of the County Council a Tax Levy of \$23,157,554 for the year 2020.
3. **Resolution No. 2019-14-PT:** Authorize the tax levy at \$23,157,554 and a maximum tax levy capacity of \$26,367,225.
4. **Support Services ILA:** Authorize the ILA between Port of Tacoma and NWSA for 2020 support services.

B. BACKGROUND

The 2020 Tax Levy and Statutory budget represent the fifth year of the Port of Tacoma's participation in the Northwest Seaport Alliance (NWSA). The 2020 operating budget and 2020-2024 Capital Investment Plan for the NWSA has been presented to the public and has been approved by the Managing Members. These three resolutions and one action address Port of Tacoma specific actions that need to be taken.

C. FISCAL IMPACT

There are four areas to the 2020 Budget:

1. **Operating Budget:** The operating revenue projection of \$60.1 million includes \$41.9 million Net Distributable Revenue from the NWSA's operating income. This produces an operating income of \$11.4 million. We project a 19 percent return on revenue. In 2020, we project \$21.3 million of net income.

2. **Five-Year Capital Investment Plan:** The \$38.5 million 2020 Port of Tacoma Capital Investment Plan budget represents the first year of the Port's planned five-year plan, a package totaling \$195.2 million of projects. An additional \$440.7 million in project spending for NWSA is included in the Port's Plan of Finance. The 2020 Port of Tacoma planned Capital Investment Plan includes funds to purchase land for strategic business opportunities, maintain revenue producing Port assets (asset management), construct environmental mitigation, and contribute to road infrastructure projects.
3. **Tax Levy:** The Port has proposed to maintain the targeted millage rate at \$0.18365 per thousand dollars of assessed value, the same as 2019. Because of Pierce County property valuation increases, and the additional valuations from new improvements, the Port of Tacoma levy increases by \$2,219,304 from \$20,939,250 to \$23,157,554. The levy will be used for general obligation bond debt service and governmental projects. We strive to keep the Port levy low, knowing that the unused portion of the legal limit can be available should a requirement materialize.
4. **Plan of Finance:** The Plan of Finance incorporates the Port of Tacoma's share of the NWSA's net distributable revenue and capitalized project spending. The 2020 Port of Tacoma Plan of Finance proposes no debt issues to finance capital spending in 2020. The Plan of Finance shows no borrowing for the next five years. Our plan estimates that the Port's 2020 fully diluted debt service coverage will be 2.0. The fully diluted debt service is expected to exceed 2.0 in all but one year through 2024 based on this budget.



PORT OF TACOMA

RESOLUTION NO. 2019-12-PT

A RESOLUTION adopting a budget for the Port of Tacoma for the year 2020.

WHEREAS, the laws of the State of Washington make it the duty of the Port Commission of the Port of Tacoma to create a budget showing the estimated revenues and expenditures of the Port of Tacoma for the year 2020, and

WHEREAS, the Port of Tacoma Commission did so create a budget and did give notice by publication of the time and in the manner provided by law in The News Tribune, a newspaper of general circulation in Pierce County, Washington, that a meeting would be held on the 25th day of November 2019 at twelve noon at The Fabulich Center, to allow any taxpayer to appear and be heard in favor of or against the proposed tax levy based on said budget, and

WHEREAS, the 2020 budget estimated revenues and expenditures includes a capital budget that is consistent with the Port's Comprehensive Scheme of Harbor Improvements and enumerated in the Port's vision, mission, goals and objectives statements, and

WHEREAS, said meeting was so held on the 25th day of November, 2019 at twelve noon at the Fabulich Center, and an opportunity was given at said meeting for any taxpayer to speak in favor of or against the proposed tax levy based on said budget.

WHEREAS, the Port Commission having considered the public comment and staff's recommendation,

NOW, THEREFORE, BE IT RESOLVED BY THE PORT COMMISSION OF THE PORT OF TACOMA:

That the attached budget of revenues and expenditures of the Port of Tacoma for the year 2020 is hereby adopted.

ADOPTED by a majority of the members of the Port Commission of the Port of Tacoma at a regular meeting held on the 25th day of November, 2019, a majority of the members being present and voting on this resolution and signed by the President and attested by its Secretary under the official seal of said Commission in authentication of its passage this **25th day of November, 2019**.

Clare Petrich, President
Port of Tacoma Commission

ATTEST:

John McCarthy, Secretary
Port of Tacoma Commission

I, John McCarthy, the duly chosen, qualified and Secretary of the Port Commission of the Port of Tacoma, DO HEREBY CERTIFY that the foregoing resolution is a true and correct copy of Resolution **No. 2019-12-PT** of said Commission, duly adopted at a regular meeting thereof, held on the **25th day of November, 2019**, and duly authenticated in open session by the signatures of the Commissioners present and voting in favor thereof and the seal of the Commission.

John McCarthy, Secretary
Port of Tacoma Commission



**PORT OF TACOMA
RESOLUTION NO. 2019-13-PT**

A RESOLUTION to direct the Secretary to certify to the Clerk of the County Council of Pierce County, Washington a tax levy of \$23,157,554 for the year 2020.

WHEREAS, the laws of the State of Washington require that annual tax levy by a Port District shall be filed with the Clerk of the County Council.

WHEREAS the Port of Tacoma Commission has given legal notice of the public hearing held November 25, 2019 to consider the Port of Tacoma's current expense budget for the 2020 calendar year, pursuant to RCW 84.55.120; and

WHEREAS the Port of Tacoma Commission after hearing, and after duly considering all relevant evidence and testimony presented, has determined that the Port of Tacoma will increase its property tax revenue on existing property from the previous year, and inclusive of any increase resulting from the addition of new construction; increases in assessed value due to construction of wind turbine, solar, biomass, and geothermal facilities, if such facilities generate electricity and the property is not included elsewhere under chapter 84.55 RCW for purposes of providing an additional dollar amount, whether classified as real or personal property; improvements to property; and any increase in the value of State-assessed property, in order to discharge the expected expense and obligation of the Port of Tacoma and in its best interest,

NOW, THEREFORE, BE IT RESOLVED by the Port of Tacoma Commission that a net increase in the regular property tax levy from \$20,938,250 to \$23,157,554 (a net increase of \$2,219,304 which is a 10.45% increase over the previous year) is hereby authorized for the 2019 levy for 2020 taxes in the amount of \$23,157,554.

AND, BE IT FURTHER RESOLVED that a increase in the regular property tax levy, which shall include any increase resulting from the addition of new construction; increases in assessed value due to construction of wind turbine, solar, biomass, and geothermal facilities, if such facilities generate electricity and the property is not included elsewhere under chapter 84.55 RCW for purposes of providing an additional dollar amount, whether classified as real or personal property; improvements to property; and any increase in the value of state-assessed property is hereby authorized for the 2019 levy for 2020 taxes in the amount of \$23,157,554 which is a percentage increase of 10.45% from the previous year.

AND, BE IT FURTHER RESOLVED that the Secretary forthwith certify to the Clerk of the County Council of Pierce County, Washington that the Port of Tacoma will require the sum of \$23,157,554, the same being a levy of \$0.18365 per \$1,000 assessed valuation against the valuation of \$126,096,129,224 for regular levy, that said certificate shall show that such amount is required for the Port District for the year ending December 31, 2020. Said certificate shall be in substantially the following form, to wit:

Clerk of the County Council
Pierce County
Tacoma, Washington

Council Members:

Pursuant to Resolution No. 2019-13-PT passed and adopted by the Board of Commissioners of the Port of Tacoma on the **25th day of November, 2019**, I hereby certify that the sum of \$23,157,554 will be required for the Port of Tacoma for the year ending December 31, 2020, the same being based upon the valuation for Pierce County for the year of \$126,096,129,224 for regular levy.

John McCarthy, Secretary
Port of Tacoma Commission

ADOPTED by a majority of the members of the Port of Tacoma Commission at a regular meeting held on the **25th day of November 2019**, a majority of the members being present and voting on this resolution and signed by the President and attested by its Secretary under the official seal of said Commission in authentication of its passage this 25th day of November 2019.

Clare Petrich, President
Port of Tacoma Commission

ATTEST:

John McCarthy, Secretary
Port of Tacoma Commission

I, John McCarthy, the duly chosen, qualified and Secretary of the Port of Tacoma Commission, DO HEREBY CERTIFY that the foregoing resolution is a true and correct copy of Resolution **No. 2019-13-PT** of said Commission, duly adopted at a regular meeting thereof, held on the **25th day of November 2019**, and duly authenticated in open session by the signatures of the Commissioners present and voting in favor thereof and the seal of the Commission.

John McCarthy, Secretary
Port of Tacoma Commission



People. Partnership. Performance.

P.O. Box 1837
Tacoma, WA 98401-1837
www.portoftacoma.com

November 25, 2019

Pierce County Council
Attn: Clerk
930 Tacoma Avenue South
Room 1046
Tacoma, Washington 98402

I, John McCarthy, the duly chosen, qualified and Secretary of the Port of Tacoma Commission, DO HEREBY CERTIFY that the foregoing resolution is a true and correct copy of Resolution **No. 2019-13-PT** of said Commission, duly adopted at a regular meeting thereof, held on the **25th day of November 2019**, and duly authenticated in open session by the signatures of the Commissioners present and voting in favor thereof and the seal of the Commission.

John McCarthy, Secretary
Port of Tacoma Commission

Enclosure

Cc: Kim Fleshman, Assessor-Treasurer Office



PORT OF TACOMA

RESOLUTION NO. 2019-14-PT

A RESOLUTION of the Port of Tacoma Commission addressing the tax levy requirements pursuant to RCW 84.55.120 and RCW 84.55.092; and preserving the opportunity for a future increase in the limit factor for maximum levy capacity pursuant to RCW 84.55.0101.

WHEREAS, a public hearing on the revenue sources for the Port's 2020 current expense budget has been held by this Commission on November 25, 2019, and

WHEREAS, increases in regular property taxes imposed by the Port are limited by Chapter 84.55 RCW so that the regular property tax levy of the Port may only increase from year to year by an amount equal to the "limit factor" (plus increases permitted due to new construction and increases in value of state assessed property); and

WHEREAS, pursuant to RCW Sections 84.55.005 and 84.55.010, as amended, the limit factor for the Port's 2019 tax levy (2020 collection) is the lesser of one hundred one percent or one hundred percent plus inflation (the Limit Factor"); and

WHEREAS, the Port has been advised that based on inflation/deflation, the Port's limit factor for a levy increase this year would be limited to one hundred one percent (plus new construction and improvements to property) ("2019 Limit Factor") unless the Port Commission makes a finding of "substantial need" pursuant to RCW 84.55.0101; and

WHEREAS, the highest regular tax which could have been lawfully levied by the Port, beginning with the Port's 1985 levy, occurs in the year 2019 and is equal to \$25,614,668.77 ("Highest Levy Available") multiplied by the 2019 Limit Factor of one hundred and one hundred percent (as defined in RCW 84.55.005) is equal to \$25,870,815.46

WHEREAS, the Maximum Levy based on the Limit Factor may be increased by 2019 permitted add-ons (dollar increases in new construction and improvements, Increases in assessed value due to construction of wind turbine, solar, biomass, and geothermal facilities, if such facilities generate electricity and the property is not included elsewhere under chapter 84.55 RCW for purposes of providing an additional dollar amount, whether classified as real or personal property; improvements to property and any; increase in the value of state-assessed property of \$428,776.65 (the "Add-On Levy"), and

WHEREAS, the Maximum Levy based on the Limit Factor, increased by the Add-On Levy would be equal to \$26,299,592.11, and

WHEREAS, RCW 84.55.070 provides that the levy limit will not apply to the levy for taxes refunded or to be refunded pursuant to Chapter 84.68 RCW, RCW 84.69.180, RCW 84.56.290 or the provisions of chapter 84.69 RCW, or otherwise attributable to state taxes lawfully owing by reason of adjustments made under RCW 84.48.080 in the amount of \$67,633.35.

WHEREAS, any increase in the Maximum Levy based on the Limit Factor, increased by the Add-On Levy in excess of the Limit Factor must be approved by a resolution, and

WHEREAS, RCW 84.55.120 provides that no increase in property tax revenue, other than that resulting from new construction and improvements to property, increases in assessed value due to construction of wind turbine, solar, biomass, and geothermal facilities, if such facilities generate electricity and the property is not included elsewhere under chapter 84.55 RCW for purposes of providing an additional dollar amount, whether classified as real or personal property; improvements to property; and any increase in the value of State-assessed property (i.e. the "Add-On Levy"), may be authorized by a taxing district except by adoption of a separate resolution, pursuant to notice,

NOW, THEREFORE, BE IT RESOLVED by the Port of Tacoma Commission, as follows:

Pursuant RCW 84.55.120, the Port Commission hereby authorizes a 2019 levy (2020 collection) in the amount of \$23,157,554 ("the 2019 Levy"). The 2019 Levy represents an increase from the 2018 Levy equal to 10.45% (\$2,219,304).

Pursuant to RCW 84.55.120 and RCW 84.55.092, to preserve future tax levy opportunities the Port Commission makes a finding of substantial need and approves the Maximum Levy, as herein described (based on the Limit Factor increased by the Add-On Levy and Levy for Refunds), equal to an aggregate dollar amount of \$26,367,225.46 which is \$3,209,671 greater than the dollar amount of the 2019 levy (for collection in 2020).

ADOPTED by a majority of the members of the Port of Tacoma Commission at a regular meeting held on the **25th day of November 2019** a majority of the members being present and voting on this resolution and signed by its Vice President and attested by its Secretary under the official seal of said Commission in authentication of its passage this 25th day of November, 2019.

Clare Petrich, President
Port of Tacoma Commission

ATTEST:

John McCarthy, Secretary
Port of Tacoma Commission

I, John McCarthy, the duly chosen, qualified and Secretary of the Port of Tacoma Commission, DO HEREBY CERTIFY that the foregoing resolution is a true and correct copy of Resolution No. 2019-14-PT of said Commission, duly adopted at a regular meeting thereof, held on the **25th day of November, 2019**, and duly authenticated in open session by the signatures of the Commissioners present and voting in favor thereof and the seal of the Commission.

John McCarthy, Secretary
Port of Tacoma Commission

**INTER-LOCAL AGREEMENT FOR SUPPORT SERVICES BY AND BETWEEN
THE PORT OF TACOMA AND THE NORTHWEST SEAPORT ALLIANCE**

**INTER-LOCAL AGREEMENT FOR SUPPORT SERVICES BY AND BETWEEN
THE PORT OF TACOMA AND THE NORTHWEST SEAPORT ALLIANCE**

THIS INTER-LOCAL AGREEMENT (“Agreement”) is entered into by and between the Port of Tacoma, a Washington municipal corporation, (“POT”) and The Northwest Seaport Alliance, a Washington Port Public Development Authority (“NWSA”) (referred to herein individually as “Party” and collectively as the “Parties”).

WHEREAS, the Port of Tacoma and the Port of Seattle have entered into an agreement to establish The Northwest Seaport Alliance pursuant to the following federal and state authorities: (1) the FMC Discussion Agreement, (2) an interlocal agreement with delegated powers exercised pursuant to the port joint powers statute (RCW 53.08.240) which expressly permits joint operation and investment outside of a port’s district, (3) RCW 39.34.030, the state Interlocal Cooperation Act, and (4) pursuant to ESHB 1170, WA Session Laws of 2015-6, (Title 53.XX RCW), which authorizes the Ports to create a port development authority to use, operate and manage certain marine facilities jointly, to be known as the NWSA;

WHEREAS, in order to improve efficiency in obtaining, the services necessary for the development, redevelopment, repair and maintenance of new and existing facilities, and providing for the operation of The Northwest Seaport Alliance, NWSA and POT desire to retain support services from one another pursuant to the terms and conditions contained herein; and

WHEREAS, the Parties are authorized, pursuant to Chapter 39.34 RCW (the Inter-local Cooperation Act), to enter into this Inter-local agreement.

NOW, THEREFORE, the Parties agree as follows:

I. General Provisions for Support Services

A. Duration of this Agreement. Services to be provided under the terms of this Agreement will be provided during Calendar Year 2020. This Agreement and attached Service Directive exhibits are effective between January 1, 2020 and December 31, 2020. Subsequent Inter-Local Agreements for Support Services, if any, will be executed on an annual basis.

B. Services Provided. The NWSA and POT have agreed to provide support services to one another as defined in the Service Directive exhibits attached to this Agreement. Each Service Directive exhibit defines the scope of services, cost for services, charge methodology, and service level expectations for each service area to be provided.

C. Communications. Each Service Directive exhibit identifies the contact people for the Parties that will coordinate the work for each service area. It is expected that the identified contact people will communicate frequently, to coordinate the work, to confirm that services are

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being provided in a manner that meets service level expectations, and to evaluate monthly financial performance of actual vs. projected spending.

D. Employment, Policies and Procedures. During the term of this Agreement, individuals providing support services will remain full-time employees of their respective employer, who shall continue to be responsible for salary, benefits and retirement contributions. Nothing contained herein shall be construed as creating an employer/employee relationship between the individuals providing support services and the entity receiving the services. Staff providing support services will follow the policies and procedures of their respective employer in conducting the work.

E. Billing Rate and Procedures. The charge for services will be determined during the budget cycle for the coming fiscal year. Based on the type of support service and as reflected on each specific Service Directive exhibit, costs will be allocated in one of the following ways: (1) monthly based on a fixed charge or formula, (2) charged to projects based on developed charge out rates or (3) performed as a fee for service based on predetermined charged out rates.

F. Independent Municipal Governments. The Parties hereto are independent governmental entities and nothing herein shall be construed to limit the independent government powers, authority or discretion of the governing bodies of each Party. It is understood and agreed that this Agreement is solely for the benefit of the Parties hereto and gives no right to any other party. No joint venture or partnership is formed as a result of this Agreement. No employees or agents of any Party shall be deemed, or represent themselves to be, employees of any of the other Party.

G. Legal obligations. This Agreement does not relieve either Party of any obligation or responsibility imposed upon it by law.

H. Timely Performance. The requirements of this Agreement shall be carried out in a timely manner according to a schedule negotiated by and satisfactory to the Parties.

I. Recording. Copies of this Agreement shall be posted to the web sites of the Parties.

J. Audit of Records. During the term of this Agreement, and for a period not less than six (6) years from the date of termination, records and accounts pertaining to the work of this Agreement and accounting therefore shall be kept by each Party and shall be available for inspection and audit by representatives of either Party and any other entity with legal entitlement to review said records. If any litigation, claim, or audit is commenced, the records and accounts along with supporting documentation shall be retained until all litigation, claims, or audit finding has been resolved, even though such litigation, claim, or audit continues past the six-year (6) retention period. This provision is in addition to and is not intended to supplant, alter or amend records retention requirements established by applicable state and federal laws.

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K. Delegations and Authorizations. Authority for NWSA expenditures reside with the Managing Members except where delegated to the CEO or his delegate. The NWSA Master Policy Delegation of Authority Resolution and the NWSA internal Delegation Policies and Procedures shall govern authorizations when support services are provided to the NWSA, including contracting and procurement activities performed by the Port of Seattle on behalf of the NWSA. Under this structure, the NWSA Deputy CEO & Chief Facilities Development shall be accountable to the NWSA CEO to manage Projects via the attached Service Directives, and The Port of Tacoma Facilities Development department shall be accountable to execute the Service Directives Project(s) on behalf of the NWSA CEO through the Deputy CEO.

II. Dispute Resolution

A. Process. The Parties' designated representatives under Paragraph III herein shall use their best efforts to resolve disputes between the Parties. If the designated representatives are unable to resolve a dispute, then each Party's responsible Project Directors shall review the matter and use their best efforts to resolve it. If the Project Directors are unable to resolve the dispute, the matter shall be reviewed by the department director or chief executive officer of each Party or his or her designee. The Parties agree to exhaust each of these procedural steps before seeking to further resolve the dispute in any other forum. Any controversy or claim arising out of or relating to this Inter-Local Agreement, or the breach thereof, which is not settled by agreement between the Parties, shall be settled by mediation in the State of Washington, in Pierce or King Counties. In the event either Party reasonably believes mediation will not result in a solution to the disagreement, mediation may be waived.

B. Controlling law & Venue. This Agreement shall be construed and enforced according to the laws of the State of Washington.

III. Notices

A. Contact Persons. Any notice, demand, request, consent, approval or communication that either Party desires or is required to give to the other Party shall be in writing addressed to the other Party at the addresses as follows unless otherwise indicated by the Parties to this Agreement:

NWSA: Erin Galeno, Chief Financial and Admin Officer
PO Box 1837
Tacoma, WA 98401
egaleno@nwseaportalliance.com

Port of Tacoma: Darren Arakaki, Director Accounting
PO Box 1837
Tacoma, WA 98401

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darakaki@portoftacoma.com

B. Receipt. Notice shall be deemed “received” on the date of actual delivery or the first attempted delivery as shown on the return receipt if mailed with the United States Postal Service by certified mail, return receipt requested, otherwise receipt if presumed three days after deposit of mail into US Mail, or by receipt of email.

IV. Indemnification and Hold Harmless

A. The Parties release each other from, and shall defend, indemnify, and hold each other and agents, employees, and/or officers harmless from and against all claims, demands, suits at law or equity, actions, penalties, losses, damages, or costs, of whatsoever kind or nature, made by or on behalf of the other Party and/or its agents, employees, officers, and/or subcontractors, arising out of or in any way related to this Agreement, unless and except to the extent the same be caused in whole or in part by the negligence of a Party or its agents, employees, and/or officers.

B. This Agreement includes a waiver of subrogation against all losses sustained by either Party and/or its agents, employees, officers, subcontractors, and/or insurers, arising out of or related to this Agreement except to the extent the Parties’ losses are caused in whole or in part by the negligence of the other Party or its agents, employees, and/or officers.

C. Each Party specifically assumes liability for actions brought by its own employees against the other Party and for that purpose each Party specifically waives, as respects the other Party only, any immunity under the Worker’s Compensation Act, RCW Title 51.

D. Both Parties recognize that this waiver was the subject of mutual negotiation. In the event any Party incurs attorney’s fees, costs or other legal expenses to enforce the provisions of this Agreement against the other Party, all such fees, costs and expenses shall be recoverable by the prevailing Party.

E. No liability shall attach to any of the Parties by reason of entering into this Agreement except as expressly provided herein.

F. Each Party agrees that it will include in any contract which is related to the work of this Agreement a provision requiring the contractor to defend, indemnify and hold harmless all the Parties to this Agreement against any claims arising out of or related to the work of the contractor.

G. The provisions of this Article shall survive any termination or expiration of this Agreement.

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V. Severability

If any term or provision of this Agreement, or its application to any person or circumstance is ruled invalid or unenforceable, the remainder of this Agreement will not be affected and will continue in full force and effect.

VI. Limits of Financial Obligations/Property ownership.

Except as provided above, each Party shall finance its own conduct of responsibilities under this Agreement. No ownership of property will transfer as a result of this Agreement.

VII. Entire Agreement/Amendment

This Agreement, together with any documents incorporated by reference shall constitute the entire agreement between the Parties with respect to the Services to be provided and shall supersede all prior agreements, proposals, understandings, representations, correspondence or communications relating to the subject matter hereof. No modification or amendment of this Agreement shall be valid and effective unless approved by both parties in writing.

WHEREFORE, the parties have executed this Agreement this _____ day of _____, 2019.

Northwest Seaport Alliance

Port of Tacoma

John Wolfe
Chief Executive Officer

Commission President

Date _____

Date _____

**INTER-LOCAL AGREEMENT FOR SUPPORT SERVICES BY AND BETWEEN
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**Attached Support Service Directives for Calendar Year 2020
Support Service Agreement between NWSA and POT:**

- Exhibit 1A – Accounting, Financial Analysis & Treasury Support Services
- Exhibit 1B – Strategic Operations Projects and Risk Management Support Services
- Exhibit 2 – Public Records Management Support Services
- Exhibit 3 – Information Technology and Business Process Support Services
- Exhibit 4 – Public Affairs Support Services
- Exhibit 5 – Commercial Real Estate Support Services
- Exhibit 6 – Facilities Development Support Services
- Exhibit 7 – Security Support Services
- Exhibit 8 – Equipment and Facilities Maintenance Support Services
- Exhibit 9 – Contracts and Purchasing Support Services
- Exhibit 10A – Executive Management Support Services
- Exhibit 10B – Commissioners Support Services
- Exhibit 11 – Portwide Infrastructure, Sitcum Office Support Services
- Exhibit 12 – Human Resources Support Services
- Exhibit 13 – Environmental and Planning Support Services
- Exhibit 14 – Marketing and Business Support Services
- Exhibit 15 – Railcar and Freight and Operations Coordinators Support Services
- Exhibit 16 – Business Development Support Services
- Exhibit 17 – Additional Support Services as Needed

EXHIBIT POT – 01A

Service Directive for Accounting, Financial Analysis and Treasury Support Services

by and between

Port of Tacoma and The Northwest Seaport Alliance

This document is an Exhibit to the Inter-Local Agreement for Support Services By and Between the Port of Tacoma (POT) and The Northwest Seaport Alliance (NWSA).

1) Purpose:

The purpose of this exhibit is to identify the services provided by the Port of Tacoma with regard to Support Services listed above for The Northwest Seaport Alliance. This exhibit defines the mutually agreed upon scope of services, cost for services, charge methodology, and service level expectations to include performance measures and monitoring. Refer to the governing Inter-Local Agreement for terms under which these services are provided.

2) Time period:

This agreement is for calendar year 2020.

3) Scope of Services to be provided by POT to The NWSA

a) Accounting

- i) Customer invoicing, accounts receivable, collections and cash application for NWSA customers.
- ii) Accounts payable services for The NWSA activity.
- iii) Project accounting services to support project delivery for the NWSA (note: NH project procurement and project tracking remains in the NH).
 - (1) Project cost tracking and review of project costs for proper classification.
 - (2) Capitalization policy analysis and application to projects.
 - (3) Capital Project Spending reporting and comparison to budget, coordinate Cash Reimbursement for 50% of total project spending on monthly basis.
- iv) General accounting services for SH financial transactions associated with The NWSA.
 - (1) In conjunction with POS, provide information, resources and expertise to ensure The NWSA is in compliance with Generally Accepted Accounting Principles, Government Accounting Standards and specific Accounting policies as developed by The NWSA.

- (2) Services to support external financial audit, single audit of financial reporting and compliance with policies and state and federal statutes.
- (3) Direct financial transactions of the NWSA, including consolidation of The NWSA financial statements, monthly financial reporting package preparation, state/local tax filings.
- (4) WA Leasehold and B&O excise tax reporting.
- v) Grant accounting services for SH federal and state grants.
 - (1) POT Accounting has provided and discussed grant compliance requirements with NWSA accounting in accordance with 2 CFR 200.331.
- vi) Payroll services for NWSA employees and for POT employees included in the support service agreements to The NWSA.
- vii) Risk Management
 - (1) Provide risk management services to The NWSA for NWSA-licensed properties in support of its business operations, activities and assets. Scope includes, but is not limited to:
 - (a) processing and adjusting of claims and/or coordination of legal services.
 - (2) Provide workers' compensation insurance (or equivalent State-approved self-insurance), and associated claims management services, for all POT employees, including those providing support services to the NWSA.
- b) Finance & Budget
 - i) Provide Operating Budget services to include:
 - (1) Work with NWSA staff to provide South and North Harbor budgets.
 - (2) Provide NWSA outer year depreciation forecasts for new assets.
 - (3) Partner with POS staff to compile North Harbor budget.
 - (4) Compile budget/ forecast for entire NWSA and house the system of record.
 - ii) Provide Capital Budget services
 - (1) Responsible for North and South Harbors, working with project teams for both harbors.
 - iii) Provide Financial Analysis Services to include:
 - (1) Business Development
 - (a) Responsible for North and South Harbor analyses.

**EXHIBIT POT – 01A - Service Directive:
Accounting, Financial Analysis and Treasury Support Services**

- (b) Review NWSA analyses with POS finance team.
 - (2) Policy
 - (a) Work collaboratively on final policy issues as initiated by any of the three entities.
 - (3) Funding.
 - (a) Assess fundability and funding options for NWSA decision on investments.
- c) Treasury
- i) Provide Banking services, including but not limited to:
 - (1) Daily cash management, allowing cash functions such as payroll, accounts payable and accounts receivable.
 - (2) Manage cash balance to minimize fees and maximize interest earnings.
 - ii) Provide Investment services, including but not limited to:
 - (1) Manage working capital reserve fund for NWSA.
 - (2) Manage North Harbor lease security deposit.
 - (3) Manage working capital liquidity funds for South Harbor projects.

4) Cost for Service and Charge Methodology – POT to The NWSA:

Service Area and Department # (Acct if appropriate)	Service Item (from list above)	Method of Charges ¹	Basis for Charge	Hourly Rate, Fixed Percentage or Formula	2020 Budgeted Amount ²
Accounting Dept # 72	3.a	Fixed	Percentage of POT department budget based on analysis of work activities	88%	\$2,814,774
Finance	3.b	Incl above	Incl above	Incl above	TBD

¹ Method Options: Fixed, Project Charges, Fee for Service/Variable. Costs associated with support services will be charged to the Alliance as follows:

- Fixed allocation – Charged as a fixed allocated percentage or formula that will be applied monthly to the actual expenditures.
- Project Charges – Charged to specific projects based on current procedures.
- Fee for Service/Variable – Charges will be tracked and charged based on level of use monthly at rates agreed to when need for service is determined.

² Preliminary budget amount – subject to final budget approval.

**EXHIBIT POT – 01A - Service Directive:
Accounting, Financial Analysis and Treasury Support Services**

Dept # 72					
Treasury Dept # 72	3.c	Incl above	Incl above	Incl above	TBD

5) Scope of Services to be provided by The NWSA to POT

a) None.

6) Cost for Service and Charge Methodology – NWSA to POT

a) None.

7) Service Level Expectations:

- a) Before January 1, 2020, agreements will be made on desired standard report formats and frequencies.
- b) Accounting services will be provided on standard schedules consistent with, and coordinating with, POT and POS accounting schedules.
- c) Retention of key financial reports and information in compliance with state requirements.
- d) Performance Measures and Metrics:

This section outlines the performance measures and metrics upon which service under this SLA will be assessed. Shared Service Centers and Customers will negotiate the performance metric, frequency, customer and provider service responsibilities associated with each performance measure.

Measurements of the Port of Tacoma activities are critical to improving services and are **the basis for cost recovery** for services provided. The Port of Tacoma and The Northwest Seaport Alliance have identified activities critical to meeting The NWSA’s business requirements and have agreed upon how these activities will be assessed.

**EXHIBIT POT – 01A - Service Directive:
Accounting, Financial Analysis and Treasury Support Services**

Service Area	Type of Measure ³	Performance Measure (SMART - Specific, Measurable, Achievable, Relevant, Time Bound)	Target
Accounting – Accounts Receivable	Accuracy	<ol style="list-style-type: none"> 1. Revenue recognized (invoiced/ accrued) in proper periods 2. Collection procedures consistently applied to past due accounts. 	<ol style="list-style-type: none"> 1. 100% 2. 100%
Accounting – Accounts Payable	Management	<ol style="list-style-type: none"> 1. Public works contracts paid within statutory period. 2. Open payables over 60 days 3. Rec'd not invoiced report reconciled weekly 	<ol style="list-style-type: none"> 1. 100% 2. \$0 3. Resolved within 1 month
Accounting – Projects	Accuracy	<ol style="list-style-type: none"> 1. Project costs accurately reflected in the project subledger and reconciles to GL. 2. Project reviewed and analyzed for capital vs. expense accounting before spending begins. 	
Accounting - General	Time Based	<ol style="list-style-type: none"> 1. Monthly Fin'l package (Jan. – Nov.) – distribution date.d 2. Annual (Dec.) audited financial statements avail. 	<ol style="list-style-type: none"> 1. 13th bus day 2. April 30th
Accounting – Grants	Accuracy	<ol style="list-style-type: none"> 1. Audit Findings 	<ol style="list-style-type: none"> 1. 0
Finance – Budget	Time Based	<ol style="list-style-type: none"> 1. Complete budget by agreed upon date 	<ol style="list-style-type: none"> 1. (date updated annually)
Finance – Financial Analysis	Time Based	<ol style="list-style-type: none"> 1. Provide timely response and communication regarding all requested analyses. 2. Adhere to agreed upon financial practices 3. Review and communicate analyses in timely fashion with POS 	<ol style="list-style-type: none"> 1. Timely 2. 100% compliance 3. Timely

³ Type of Measure Options:

- Time Based – measure is time bound – duration, frequency, by a specific date, etc...
- Management – measure dealing with or controlling issues, communications, or staff
- Accuracy – measure to have a specified level of accuracy to be measurable
- Other – measure that doesn't fit into category above

**EXHIBIT POT – 01A - Service Directive:
Accounting, Financial Analysis and Treasury Support Services**

Treasury - Banking	Management	<ol style="list-style-type: none">1. Number of major banking errors, to include overdrafts and late payment release resulting in fees2. Maintain cash levels consistent with banking guidelines	<ol style="list-style-type: none">1. 0 errors2. Maintain cash levels to minimize fees
Treasury – Investments	Management	<ol style="list-style-type: none">1. Maintain investments consistent with investment guidelines, prioritizing Safety, Liquidity and Return of Principle, in that order.	<ol style="list-style-type: none">1. Maximize investment subject to prudent investing.

8) Primary Contacts:

- a) NWSA – Erin Galeno
- b) POT – Darren Arakaki

It is expected that the identified contact people will communicate frequently, to coordinate the work, to confirm that services are being provided in a manner that meets service level expectations, and to evaluate monthly financial performance of actual vs. projected spending.

EXHIBIT POT – 01B

**Service Directive for Strategic Operations Projects and Risk Management Support Services
by and between
Port of Tacoma and The Northwest Seaport Alliance**

This document is an Exhibit to the Inter-Local Agreement for Support Services By and Between the Port of Tacoma (POT) and The Northwest Seaport Alliance (NWSA).

1) Purpose:

The purpose of this exhibit is to identify the services provided by the Port of Tacoma with regard to Support Services listed above for The Northwest Seaport Alliance. This exhibit defines the mutually agreed upon scope of services, cost for services, charge methodology, and service level expectations to include performance measures and monitoring. Refer to the governing Inter-Local Agreement for terms under which these services are provided.

2) Time period:

This agreement is for calendar year 2020.

3) Scope of Services to be provided by POT to The NWSA

a) Strategic Operations Projects

- i) Provide strategic project support to The NWSA for NWSA-licensed properties as requested.

b) Risk Management

- i) Provide risk management services to The NWSA for NWSA-licensed properties in support of its business operations, activities and assets. Scope includes, but is not limited to:
 - (1) evaluation of risks and insurance coverage needs
 - (2) procurement of insurance
 - (3) processing and adjusting of claims and/or coordination of legal services
 - (4) consultation on risk management issues related to contracting and procurement
- ii) Provide workers' compensation insurance (or equivalent State-approved self-insurance), and associated claims management services for NWSA direct employees and for all POT employees providing support services to the NWSA.

**EXHIBIT POT – 01B - Service Directive:
Strategic Operations Projects and Risk Management Support Services**

4) Cost for Service and Charge Methodology – POT to The NWSA:

Service Area and Department (Acct if appropriate)	Service Item (from list above)	Method of Charges ¹	Basis for Charge	Hourly Rate, Fixed Percentage or Formula & Dept	2020 Budgeted Amount ²
<u>Strategic Operations Projects</u> Dept# 18	3.a	Fixed	Percentage of POT department budget based on analysis of work activities	80%	\$235,086
<u>Risk Management</u> Dept# 18	3.b	Incl above	Incl above	Incl above	Incl above

5) Scope of Services to be provided by The NWSA to POT

a) None.

6) Cost for Service and Charge Methodology – NWSA to POT

a) None.

7) Service Level Expectations:

a) Maintain cost effective property and casualty (including workers' compensation) insurance coverage, and claims management, as respects the operations and activities of The NWSA on licensed properties.

b) Provide expertise and support to complete NWSA strategic operations projects.

c) Performance Measures and Metrics:

This section outlines the performance measures and metrics upon which service under this SLA will be assessed. Shared Service Centers and Customers will

¹ Method Options: Fixed, Project Charges, Fee for Service/Variable. Costs associated with support services will be charged to the Alliance as follows:

- Fixed allocation – Charged as a fixed allocated percentage or formula that will be applied monthly to the actual expenditures.
- Project Charges – Charged to specific projects based on current procedures.
- Fee for Service/Variable – Charges will be tracked and charged based on level of use monthly at rates agreed to when need for service is determined.

² Preliminary budget amount – subject to final budget approval.

negotiate the performance metric, frequency, customer and provider service responsibilities associated with each performance measure.

Measurements of the Port of Tacoma activities are critical to improving services and are **the basis for cost recovery** for services provided. The Port of Tacoma and The Northwest Seaport Alliance have identified activities critical to meeting The NWSA’s business requirements and have agreed upon how these activities will be assessed.

Service Area	Type of Measure ³	Performance Measure (SMART - Specific, Measurable, Achievable, Relevant, Time Bound)	Target

8) Primary Contacts:

- a) NWSA – Erin Galeno
- b) POT – Lou Paulsen

It is expected that the identified contact people will communicate frequently, to coordinate the work, to confirm that services are being provided in a manner that meets service level expectations, and to evaluate monthly financial performance of actual vs. projected spending.

³ Type of Measure Options:

- Time Based – measure is time bound – duration, frequency, by a specific date, etc...
- Management – measure dealing with or controlling issues, communications, or staff
- Accuracy – measure to have a specified level of accuracy to be measurable
- Other – measure that doesn’t fit into category above

EXHIBIT POT - 02
Service Directive for Public Records Management Support Services
by and between
Port of Tacoma and The Northwest Seaport Alliance

This document is an Exhibit to the Inter-Local Agreement for Support Services By and Between the Port of Tacoma (POT) and The Northwest Seaport Alliance (NWSA).

1) Purpose:

The purpose of this exhibit is to identify the services provided by the Port of Tacoma with regard to Support Services listed above for The Northwest Seaport Alliance. This exhibit defines the mutually agreed upon scope of services, cost for services, charge methodology, and service level expectations to include performance measures and monitoring. Refer to the governing Inter-Local Agreement for terms under which these services are provided.

2) Time period:

This agreement is for calendar year 2020.

3) Scope of Services to be provided by POT to The NWSA

a) Public Records

- i) Coordinate overall public records management for The NWSA. Erin Galeno will serve as The NWSA Public Records Officer.
- ii) Provide management of POT portion of state-mandated NWSA records management.
- iii) Provide support for and coordinate the production of responsive records for PRR requests for the NWSA.
- iv) Meet State of Washington mandated JLARC annual reporting requirements.
- v) Coordinate with POS records/PRR management staff on management of NWSA records.
- vi) Coordinate with POS on Public Records Requests that involve records in the custody of POS.

4) Cost for Service and Charge Methodology – POT to The NWSA:

Service Area and Department # (Acct if appropriate)	Service Item (from list above)	Method of Charges ¹	Basis for Charge	Hourly Rate, Fixed Percentage or Formula	2020 Budgeted Amount ²
Public Records Mgmt Dept #72	3.a	Fixed	Percentage of POT department budget based on analysis of work activities	n/a	Included in Finance Department Service Agreement

5) Scope of Services to be provided by The NWSA to POT

- a) Erin Galeno will service as Public Records officer for the POT (this is included in the NWSA Executive Management services agreement)

6) Cost for Service and Charge Methodology – NWSA to POT

- a) NA.

7) Service Level Expectations:

- a) At NWSA formation, Public Records Management policy and procedures for The NWSA were be adopted by the Managing Members.
- b) Public Records Management activities will follow The NWSA Public Records Management policy and procedures.

c) Performance Measures and Metrics:

This section outlines the performance measures and metrics upon which service under this SLA will be assessed. Shared Service Centers and Customers will

¹ Method Options: Fixed, Project Charges, Fee for Service/Variable. Costs associated with support services will be charged to the Alliance as follows:

- Fixed allocation – Charged as a fixed allocated percentage or formula that will be applied monthly to the actual expenditures.
- Project Charges – Charged to specific projects based on current procedures.
- Fee for Service/Variable – Charges will be tracked and charged based on level of use monthly at rates agreed to when need for service is determined.

² Preliminary budget amount – subject to final budget approval.

negotiate the performance metric, frequency, customer and provider service responsibilities associated with each performance measure.

Measurements of the Port of Tacoma activities are critical to improving services and are **the basis for cost recovery** for services provided. The Port of Tacoma and The Northwest Seaport Alliance have identified activities critical to meeting The NWSA’s business requirements and have agreed upon how these activities will be assessed.

Service Area	Type of Measure ³	Performance Measure (SMART - Specific, Measurable, Achievable, Relevant, Time Bound)	Target
Records	Time Based	<ul style="list-style-type: none"> - Initial acknowledgment of Public Records Request sent to requester - Initial response due date communicated to requester within 5 days 	<ul style="list-style-type: none"> - 5 working days - 100%
Records	Time Based	<ul style="list-style-type: none"> - Fullfill state JLARC annual Public Records Response reporting due July 1 	<ul style="list-style-type: none"> - 100%
Records	Management	<ul style="list-style-type: none"> - Records coordinators are trained on state records retention, reporting and disclosure laws - All commissioners and records staff meet current Open Public Meetings and Open Public Records training requirements 	<ul style="list-style-type: none"> - 100% - 100%
Records	Accuracy	<ul style="list-style-type: none"> - All responsive records are identified, gathered and delivered pursuant to the request 	<ul style="list-style-type: none"> - 100%

8) Primary Contacts:

- a) NWSA – Erin Galeno
- b) POT – Darren Arakaki

³ Type of Measure Options:

- Time Based – measure is time bound – duration, frequency, by a specific date, etc...
- Management – measure dealing with or controlling issues, communications, or staff
- Accuracy – measure to have a specified level of accuracy to be measurable
- Other – measure that doesn’t fit into category above

It is expected that the identified contact people will communicate frequently, to coordinate the work, to confirm that services are being provided in a manner that meets service level expectations, and to evaluate monthly financial performance of actual vs. projected spending.

Draft

EXHIBIT POT - 03

Service Directive for Information Technology and Business Process Support Services

by and between

Port of Tacoma and The Northwest Seaport Alliance

This document is an Exhibit to the Inter-Local Agreement for Support Services By and Between the Port of Tacoma (POT) and The Northwest Seaport Alliance (NWSA).

1) Purpose:

The purpose of this exhibit is to identify the services provided by the Port of Tacoma with regard to Support Services listed above for The Northwest Seaport Alliance. This exhibit defines the mutually agreed upon scope of services, cost for services, charge methodology, and service level expectations to include performance measures and monitoring. Refer to the governing Inter-Local Agreement for terms under which these services are provided.

2) Time period:

This agreement is for calendar year 2020.

3) Scope of Services to be provided by POT to The NWSA

- a) Information Technology - Provide IT services directly to NWSA staff and to POT support service groups providing services to the NWSA.
 - i) Provides Information Technology Strategic Planning services, in alignment and partnership with NWSA stakeholders, to support NWSA business technology goals and strategies.
 - ii) Provides Management and Administrative support, including but not limited to: licensing; vendor management; contract management; procurement (in partnership with contracts); and IT Governance facilitation..
 - iii) Provide support for enterprise software applications, including but not limited to: technical support services; design and implementation of system enhancements; system selection, design and architecture; application and support vendor selection and relationship management; system roadmap/life-cycle management; system documentation; system level disaster recovery management; application project resource and SME services. Enterprise applications include, but are not limited to, systems for Core Financials, Budgeting, Payroll, Treasury, HR, Real Estate, Maintenance, Contracts, Collaboration, Records Management, Customer Relationship

**EXHIBIT POT – 03 - Service Directive:
Information Technology and Business Process Support Services**

Management, Breakbulk Terminal Operations, Rail Terminal Operations, Security, and Business Intelligence.

- iv) Provide support for enterprise data and databases, including but not limited to: database administration and management; volume data storage management; data quality management; integration management; Enterprise Report development; managed file transfer; managed data services; database disaster recovery management.
- v) Provide IT Project Management services, including but not limited to: IT Project Portfolio Management, including project intake, IT steering committee authorization and prioritization; IT project planning including development of budgets, resources plans and schedules; management of project scope, schedule, budget, quality, risk and communications; management of competitive vendor and product selection; IT PMO management and administration; recruitment and management of temporary Project Management and Business Analyst resources.
- vi) Provide Geographic Information System (GIS) services, including but not limited to: GIS system support and training; geospatial data management; geospatial mapping services; geospatial server and user application management; CAD services including CAD drawing management.
- vii) Provide a single point of contact Service Desk for all IT related issues, including but not limited to: computer hardware; mobile devices; video and audio conferencing; end user software and enterprise applications; data; databases; asset and lifecycle management; user account provisioning; new user IT orientation and associated services for NWSA staff.
- viii) Provides IT support for all managing members meetings that are held at the Port of Tacoma.
- ix) Provide datacenter services, including but not limited to: hybrid cloud/physical environment management; hardware installation and maintenance; managed power distribution; backup power systems; data backup and archiving; managed load balancing; server and storage virtualization; controlled internet access; diverse firewalls and anti-malware solutions; managed email and messaging; managed authentication and authorization; managed data storage; managed cloud storage and services; managed data encryption; system selection, design and configuration; documentation and datacenter diagrams; life-cycle management; datacenter disaster recovery management; support vendor selection; service contract management.

**EXHIBIT POT – 03 - Service Directive:
Information Technology and Business Process Support Services**

- x) Provide cybersecurity services, including but not limited to: end-user training; network cybersecurity monitoring; governance, risk and compliance monitoring; ongoing managed cybersecurity services; incident response, disaster recovery and business resiliency testing; development and updating of policies and procedures; risk assessments and audits; support vendor selection; service contract management.
- xi) Provide infrastructure system services, including but not limited to: the Operation Service Center’s managed networking devices; the Security Department Operation Center, which includes video management system hardware and software, security cameras and support the activation of emergency operations center; support vendor selection; service contract management.
- xii) Provide support for network infrastructure, including but not limited to: managed LAN devices; managed WAN devices; managed wired and wireless LANs; fiber and cable plants; system selection, design and configuration; documentation and network diagrams; life-cycle management; network level disaster recovery management; support vendor selection; service contract management.
- xiii) Provide business process analysis support services, including but not limited to: process mapping and re-engineering; requirements development; roles and responsibilities change management; policy and procedure development; develop functional documentation; training and testing; vendor relationship.

4) Cost for Service and Charge Methodology – POT to The NWSA:

POT IT does not charge-back or allocate costs to POT departments for services, all costs are budgeted and expensed within the Information Technology department. As such, the costs of providing these services indirectly to the NWSA should be included in the NWSA cost allocation.

Service Area and Department # (Acct if appropriate)	Service Item	Method of Charges ¹	Basis for Charge	Hourly Rate, Fixed	2020 Budgeted Amount ²
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¹ Method Options: Fixed, Project Charges, Fee for Service/Variable. Costs associated with support services will be charged to the Alliance as follows:

- Fixed allocation – Charged as a fixed allocated percentage or formula that will be applied monthly to the actual expenditures.
- Project Charges – Charged to specific projects based on current procedures.
- Fee for Service/Variable – Charges will be tracked and charged based on level of use monthly at rates agreed to when need for service is determined.

² Preliminary budget amount – subject to final budget approval.

**EXHIBIT POT – 03 - Service Directive:
Information Technology and Business Process Support Services**

	(from list above)			Percentage or Formula	
Information Technology Dept #70	3.a	Fixed	Percentage of POT department budget based on analysis of work activities	88 % of actual spending	\$7,846,911

5) Scope of Services to be provided by The NWSA to POT

a) None.

6) Cost for Service and Charge Methodology – NWSA to POT

a) None.

7) Service Level Expectations:

a) Performance Measures and Metrics:

This section outlines the performance measures and metrics upon which service under this SLA will be assessed. Shared Service Centers and Customers will negotiate the performance metric, frequency, customer and provider service responsibilities associated with each performance measure.

Measurements of the Port of Tacoma activities are critical to improving services and are **the basis for cost recovery** for services provided. The Port of Tacoma and The Northwest Seaport Alliance have identified activities critical to meeting The NWSA’s business requirements and have agreed upon how these activities will be assessed.

Service Area	Type of Measure ³	Performance Measure (SMART - Specific, Measurable, Achievable, Relevant, Time Bound)	Target
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³ Type of Measure Options:

- Time Based – measure is time bound – duration, frequency, by a specific date, etc...
- Management – measure dealing with or controlling issues, communications, or staff
- Accuracy – measure to have a specified level of accuracy to be measurable
- Other – measure that doesn’t fit into category above

**EXHIBIT POT – 03 - Service Directive:
Information Technology and Business Process Support Services**

Information Technology Strategic Planning	Management	Approved Technology Strategies updates annually.	100%
Mgmt & Admin Support	Management	Maintain legal compliance for software application licensing.	100%
Enterprise Software Applications	Management	Applications are managed in compliance with documented standard operating procedures.	100%
Enterprise Data and Databases	Management	Applications are managed in compliance with documented standard operating procedures.	100%
IT Project Management	Management	Meet defined scope, schedule and budget for IT Steering committee approved projects.	95-100% of approved projects
Service Desk	Management	Provide support during regular business hours of 7:30am-5pm	100%
	Time Based	Provide onsite technical AV support for all Managing Members meetings.	100%
	Time Based	Provide timely response and communication regarding all submitted/reported issues based on criticality.	Business Critical – 0-2 hours Urgent – 0-4 hours Medium (As soon as possible) – 0-24 hours Low (As time permits) – 0-48 hours
	Time Based	Provide onsite support in the North Harbor as requested/needed.	Business Critical -4 Business hours

**EXHIBIT POT – 03 - Service Directive:
Information Technology and Business Process Support Services**

			Urgent - 1 business day Medium (As soon as possible) - 3 Business Days Low (As time permits) - 5 business days
Datacenter Services	Management	Maintain a reliable and sustainable datacenter environment.	99.9% uptime
Cybersecurity Services	Management	Maintain the NIST Cybersecurity Framework guidelines for managing the risk of a cyberthreats.	100%
Network Infrastructure	Management	Unplanned down time during working hours.	<1%

8) Primary Contacts:

- a) NWSA – Erin Galeno
- b) POT – Martyn Adamson (interim)

It is expected that the identified contact people will communicate frequently, to coordinate the work, to confirm that services are being provided in a manner that meets service level expectations, and to evaluate monthly financial performance of actual vs. projected spending.

EXHIBIT POT – 04
Service Directive for Public Affairs Support Services
by and between
Port of Tacoma and The Northwest Seaport Alliance

This document is an Exhibit to the Inter-Local Agreement for Support Services By and Between the Port of Tacoma (POT) and The Northwest Seaport Alliance (NWSA).

1) Purpose:

The purpose of this exhibit is to identify the services provided by the Port of Tacoma with regard to Support Services listed above for The Northwest Seaport Alliance. This exhibit defines the mutually agreed upon scope of services, cost for services, charge methodology, and service level expectations to include performance measures and monitoring. Refer to the governing Inter-Local Agreement for terms under which these services are provided.

2) Time period:

This agreement is for calendar year 2020.

3) Scope of Services to be provided by POT to The NWSA

a) Government Relations

- i) Directs the development and execution of the NWSA's overall legislative outreach strategy, including the effective management and support of assigned staff
- ii) Represents the NWSA's legislative interests with state officials, staff and agency representatives.
- iii) Represents the NWSA's legislative interests with local officials and staff and tribal governments in Pierce County.

b) Community Relations

- i) Directs the development and execution of the NWSA's overall community outreach strategy, including the effective management and support of assigned staff
- ii) Establish and maintain NWSA relationship with community organizations in Pierce County to build support for the NWSA's mission and activities.

c) Communications

- i) Directs the development and execution of the NWSA’s strategic communications plan, including effective management and support of assigned staff.
- ii) Represents the NWSA to media.
- iii) Develops and maintains NWSA website, social media channels and publications.
- iv) Develops and implements the NWSA’s internal communications program.

4) Cost for Service and Charge Methodology – POT to The NWSA:

Service Area and Department # (Acct if appropriate)	Service Item (from list above)	Method of Charges ¹	Basis for Charge	Hourly Rate, Fixed Percentage or Formula	2020 Budgeted Amount ²
Gov’t Affairs Dept # 86	3.a,b	Fixed	Percentage of POT department budget based on analysis of work activities	36.1 % of actual spending	\$436,560
Communications Dept #88	3.c	Fixed	Percentage of POT department budget based on analysis of work activities	50 % of actual spending	\$994,463

5) Scope of Services to be provided by The NWSA to POT

- a) None.

6) Cost for Service and Charge Methodology – NWSA to POT

- a) None.

¹ Method Options: Fixed, Project Charges, Fee for Service/Variable. Costs associated with support services will be charged to the Alliance as follows:

- Fixed allocation – Charged as a fixed allocated percentage or formula that will be applied monthly to the actual expenditures.
- Project Charges – Charged to specific projects based on current procedures.
- Fee for Service/Variable – Charges will be tracked and charged based on level of use monthly at rates agreed to when need for service is determined.

² Preliminary budget amount – subject to final budget approval.

7) Service Level Expectations:

- a) Time and resources (both human and financial) are effectively managed through prioritization of legislative and community relations strategies that directly support the advancement and achievement of the NWSA’s goals and objectives.
- b) Legislative issues are consistently and successfully achieved.
- c) NWSA customers receive value through active engagement on issues that impact their business operations
- d) Performance Measures and Metrics:

This section outlines the performance measures and metrics upon which service under this SLA will be assessed. Shared Service Centers and Customers will negotiate the performance metric, frequency, customer and provider service responsibilities associated with each performance measure.

Measurements of the Port of Tacoma activities are critical to improving services and are **the basis for cost recovery** for services provided. The Port of Tacoma and The Northwest Seaport Alliance have identified activities critical to meeting The NWSA’s business requirements and have agreed upon how these activities will be assessed.

Service Area	Type of Measure ³	Performance Measure (SMART - Specific, Measurable, Achievable, Relevant, Time Bound)	Target
Government Relations	Management	Develop annual legislative agenda for MM to approve and make sufficient progress toward achieving goals within.	Sufficient Progress
Community Relations	Management	Develop annual community outreach plan and make sufficient progress toward achieving goals within.	Sufficient Progress

³ Type of Measure Options:

- Time Based – measure is time bound – duration, frequency, by a specific date, etc...
- Management – measure dealing with or controlling issues, communications, or staff
- Accuracy – measure to have a specified level of accuracy to be measurable
- Other – measure that doesn’t fit into category above

Communications	Management	Develop annual communications strategy and make sufficient progress toward achieving goals within.	Sufficient Progress
Communications	Management	Respond to media requests in timely and professional manner.	Timely
Communications	Management	Increase number of social media followers and usability of website tools.	Increase in Social Media followers

8) Primary Contacts:

- a) NWSA – Nick Demerice
- b) POT – Sean Eagan and POT Communications Director Department

It is expected that the identified contact people will communicate frequently, to coordinate the work, to confirm that services are being provided in a manner that meets service level expectations, and to evaluate monthly financial performance of actual vs. projected spending.

Draft

EXHIBIT POT - 05

Service Directive for Commercial Real Estate Support Services

by and between

Port of Tacoma and The Northwest Seaport Alliance

This document is an Exhibit to the Inter-Local Agreement for Support Services By and Between the Port of Tacoma (POT) and The Northwest Seaport Alliance (NWSA).

1) Purpose:

The purpose of this exhibit is to identify the services provided by the Port of Tacoma regarding Support Services listed above for The Northwest Seaport Alliance. This exhibit defines the mutually agreed upon scope of services, cost for services, charge methodology, and service level expectations to include performance measures and monitoring. Refer to the governing Inter-Local Agreement for terms under which these services are provided.

2) Time period:

This agreement is for calendar year 2020.

3) Scope of Services to be provided by POT to The NWSA

a) Commercial Real Estate

- i) Supports the development, review and management of various real estate agreements (easements, Access and Hold Harmless, ROWs, vacation, etc.)
- ii) Review and manage leases, which includes:
 - (1) accurately applying utility billing;
 - (2) maintenance and repairs management; and
 - (3) oversee compliance for the Pierce County leases and contracts.
- iii) Coordinates the planning, development and maintenance of Pierce County Port facilities, in a way that yields the highest possible level to optimize utilization and return including facility maintenance, upgrade and replacement or compliance with regulatory or other matters. Service provided to NWSA licensed and non licensed properties that support the NWSA's core business.
- iv) Provide guidance in efforts to assess the strategic fit of Pierce County's real property assets and develop plans to acquire, divest or otherwise manage these assets in a timely manner that support the NWSA's overall goals and objectives.
- v) Operate and manage the Pierce County Foreign Trade Zone.

- vi) Other administrative support services, including but not limited to facility maintenance of Port of Tacoma Administrative Building and Fabulich Center, used for both Port of Tacoma and Northwest Seaport Alliance business.

Draft

4) Cost for Service and Charge Methodology – POT to The NWSA:

Service Area and Department # (Acct if appropriate)	Service Item (from list above)	Method of Charges ¹	Basis for Charge	Hourly Rate, Fixed Percentage or Formula & Dept	2020 Budgeted Amount ²
Commercial Real Estate Dept # 08	3.a	Fixed	Percentage of POT department budget based on analysis of work activities	16 % of actual spending	\$207,831

5) Scope of Services to be provided by The NWSA to POT

- a) Services as requested from staff within The NWSA Business Development groups, and The NWSA Real Estate group, to provide service related to POT Non-Alliance Real Estate. These services are captured in their respective SLA Exhibits.
- b) Note – Executive Management services for POT Homeport real estate business are included in the Executive Management Support Service Directive, Exhibit POT – 10A.

6) Cost for Service and Charge Methodology – NWSA to POT

- a) None.

7) Service Level Expectations:

- a) Pierce county port facilities and properties licensed to the NWSA are maintained to yield the highest possible level to optimize utilization and return.
- b) Pierce County’s real property development plans supports the NWSA’s overall strategic goals and objectives.

¹ Method Options: Fixed, Project Charges, Fee for Service/Variable. Costs associated with support services will be charged to the Alliance as follows:

- Fixed allocation – Charged as a fixed allocated percentage or formula that will be applied monthly to the actual expenditures.
- Project Charges – Charged to specific projects based on current procedures.
- Fee for Service/Variable – Charges will be tracked and charged based on level of use monthly at rates agreed to when need for service is determined.

² Preliminary budget amount – subject to final budget approval.

- c) Contracts and/or agreements are consistently negotiated to achieve the NWSA's financial strategic and target deadline goals, as pre-defined for each negotiation.
- d) Performance Measures and Metrics:

This section outlines the performance measures and metrics upon which service under this SLA will be assessed. Shared Service Centers and Customers will negotiate the performance metric, frequency, customer and provider service responsibilities associated with each performance measure.

Measurements of the Port of Tacoma activities are critical to improving services and are **the basis for cost recovery** for services provided. The Port of Tacoma and The Northwest Seaport Alliance have identified activities critical to meeting The NWSA's business requirements and have agreed upon how these activities will be assessed.

Draft

**EXHIBIT POT - 05 - Service Directive:
Commercial Real Estate Support Services**

Service Area	Type of Measure ³	Performance Measure	Target
Lease admin	Accuracy, Time Based	Accurate and timely billing of leases	<i>Billed by the 20th of the month</i>
Lease admin	Accuracy, Time Based	Accurate and timely billing of utilities	<i>Billed by the 20th of the month</i>
Lease admin	Management	Leases are compliant in regards to insurance and security deposits	n/a
Lease admin	Accuracy, Management	Recorded accurately and in manner easily retrieved	n/a
Lease admin	Management	Buildings maintained in efficient manner to meet general business expectations	n/a

8) Primary Contacts:

- a) NWSA – Tong Zhu
- b) POT – Scott Francis

It is expected that the identified contact people will communicate frequently, to coordinate the work, to confirm that services are being provided in a manner that meets service level expectations, and to evaluate monthly financial performance of actual vs. projected spending.

³ Type of Measure Options:

- Time Based – measure is time bound – duration, frequency, by a specific date, etc...
- Management – measure dealing with or controlling issues, communications, or staff
- Accuracy – measure to have a specified level of accuracy to be measurable
- Other – measure that doesn't fit into category above

EXHIBIT POT - 06
Service Directive for Facilities Development Support Services
by and between
Port of Tacoma and The Northwest Seaport Alliance

This document is an Exhibit to the Inter-Local Agreement for Support Services By and Between the Port of Tacoma (POT) and The Northwest Seaport Alliance (NWSA).

1) Purpose:

The purpose of this exhibit is to identify the services provided by the Port of Tacoma regarding Support Services listed above for The Northwest Seaport Alliance. This exhibit defines the mutually agreed upon scope of services, cost for services, charge methodology, and service level expectations to include performance measures and monitoring. Refer to the governing Inter-Local Agreement for terms under which these services are provided.

2) Time period:

This agreement is for calendar year 2020.

3) Scope of Services to be provided by POT to The NWSA

a) Project Delivery

(1) Contacts

- (i) NWSA – Dakota Chamberlain
- (ii) POT Engineering – Trevor Thornsley
- (iii) POT Environmental & Planning Services – Jason Jordan

- ii) POT staff will provide The NWSA with project delivery administration.
- iii) POT staff will provide The NWSA with project delivery for NWSA projects in Pierce County. Services include planning, project management, engineering, permitting, SEPA/NEPA, environmental remediation, habitat mitigation and monitoring, construction management, and construction inspection.
- iv) POT staff will fill key roles for NWSA environmental program management. NWSA, POT & POS staff will coordinate closely on regional air quality and water quality (stormwater) management programs.
- v) For projects completed in King County, POT will coordinate with Port of Seattle Capital Development staff, including but not limited to permitting, SEPA/NEPA, project management, construction management and design services.

**EXHIBIT POT - 06 - Service Directive:
Facilities Development Support Services**

Note: This does not restrict staff from working on NWSA projects in King County, but for budgeting purposes, the assumption is that for initial years of operation, project delivery will be within homeport geography.

b) Construction Inspection (NWSA: D. Chamberlain, POT: T. Thornsley)

i) POT staff will provide construction inspection services for NWSA projects in Pierce County.

4) Cost for Service and Charge Methodology – POT to The NWSA:

Service Area and Department # (Acct if appropriate)	Service Item (from list above)	Method of Charges ¹	Basis for Charge	Hourly Rate, Fixed Percentage or Formula & Dept	2020 Budgeted Amount ²
Project Delivery, Administration, Construction Inspection Services Dept #50	3.a,b	Project Charges	Project-Specific Agreements	Hourly Rate Schedule \$177	Costs for “Expense” project are included in operating expenses. Capital Projects will be authorized in accordance with the applicable Master Policy.
Environmental Project Support Dept #48	3.a	Project Charges	Project-Specific Agreements	Hourly Rate Schedule \$144	Costs for “Expense” project are included in operating expenses. Capital Projects will be authorized in accordance with

¹ Method Options: Fixed, Project Charges, Fee for Service/Variable. Costs associated with support services will be charged to the Alliance as follows:

- Fixed allocation – Charged as a fixed allocated percentage or formula that will be applied monthly to the actual expenditures.
- Project Charges – Charged to specific projects based on current procedures.
- Fee for Service/Variable – Charges will be tracked and charged based on level of use monthly at rates agreed to when need for service is determined.

² Preliminary budget amount – subject to final budget approval.

					the applicable Master Policy.
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5) Scope of Services to be provided by The NWSA to POT

- a) Planning and Environmental Programs (POT: J. Jordan, NWSA: D. Chamberlain)
 - i) NWSA staff will provide services to POT for facility, land use, transportation planning, air quality and water quality (stormwater) management programs, and grant management related to POT Non-Alliance properties. NWSA, POT & POS staff will coordinate closely on regional programs.
 - ii) NWSA staff will provide project-specific planning and environmental support to POT as requested, for POT Non-Alliance properties.

6) Service Level Expectations:

- a) Project Delivery: Project delivery and construction inspection will be provided in accordance with the authorization for projects.
- b) Approval: All services provided by POT for the NWSA shall be approved and/or authorized by the NWSA. The NWSA Master Policy is the controlling document for authorization of projects. Execution of work shall be consistent with relative policies and procedures for each organization.
- c) Request for Services: All requests for services shall be documented and include scope of work, period of performance, cost of service, and any other information necessary for describing the work and how it shall be completed. Any changes to the agreed to terms of services shall be documented and agreed to by all parties.
- d) Performance Measures and Metrics:

This section outlines the performance measures and metrics upon which service under this SLA will be assessed. Shared Service Centers and Customers will negotiate the performance metric, frequency, customer and provider service responsibilities associated with each performance measure.

Measurements of the Port of Tacoma activities are critical to improving services and are **the basis for cost recovery** for services provided. The Port of Tacoma and The Northwest Seaport Alliance have identified activities critical to meeting The NWSA's business requirements and have agreed upon how these activities will be assessed.

All services provided by Tacoma and Seattle shall be approved and/or authorized by both the requesting organization and the organization providing services. Approvals and/or authorizations shall be consistent with relative policies and procedures for each organization.

All requests for services shall be documented and include scope of work, period of performance, cost of service, terms for reimbursement, and any other information necessary for describing the work and how it shall be completed. Any changes to the agreed to terms of services shall be documented and agreed to by all parties.

Service Area	Type of Measure ³	Performance Measure (SMART - Specific, Measurable, Achievable, Relevant, Time Bound)	Target
Conformance with appropriate and applicable policies and procedures	Management	Projects appropriately authorized and work completed in accordance with appropriate policies and procedures	0 deficiencies reported on the Compliance Report
Scope	Accuracy	Project definitions, as defined in the basis of design or 30% design documents, are accurate and complete	Properly documented
Schedule	Accuracy	Work is delivered on time	Schedules are developed and agreed to by all parties
Budget	Accuracy	Projects are completed within authorized amounts	Project spending does not exceed current authorization

7) Primary Contacts:

- a) NWSA – Dakota Chamberlain
- b) POT – Trevor Thornsley

It is expected that the identified contact people will communicate frequently, to coordinate the work, to confirm that services are being provided in a manner that meets service level

³ Type of Measure Options:

- Time Based – measure is time bound – duration, frequency, by a specific date, etc...
- Management – measure dealing with or controlling issues, communications, or staff
- Accuracy – measure to have a specified level of accuracy to be measurable
- Other – measure that doesn't fit into category above

expectations, and to evaluate monthly financial performance of actual vs. projected spending.

Draft

EXHIBIT POT - 07
Service Directive for Security Support Services
by and between
Port of Tacoma and The Northwest Seaport Alliance

This document is an Exhibit to the Inter-Local Agreement for Support Services By and Between the Port of Tacoma (POT) and The Northwest Seaport Alliance (NWSA).

1) Purpose:

The purpose of this exhibit is to identify the services provided by the Port of Tacoma with regard to Support Services listed above for The Northwest Seaport Alliance. This exhibit defines the mutually agreed upon scope of services, cost for services, charge methodology, and service level expectations to include performance measures and monitoring. Refer to the governing Inter-Local Agreement for terms under which these services are provided.

2) Time period:

This agreement is for calendar year 2020.

3) Scope of Services to be provided by POT to The NWSA

a) Security

- i) The NWSA will contract with POT for Port Patrol and Security associated with NWSA-licensed properties in Pierce County.
- ii) POT security employs a proprietary IWLU security workforce. Security services will be provided as needed at NWSA properties. These security charges will be billed to NWSA.
- iii) Maintain compliance with the Maritime Transportation Security Act (MTSA) at all properties.
- iv) Maintain security personnel services for properties to provide for the protection of the asset from theft, vandalism and other criminal activities.
- v) Maintain security personnel services and U.S. Coast Guard required Facility Security Plan (FSP) for properties to maintain compliance with MTSA and applicable laws, regulations, policies and procedures.

b) Emergency Management & Preparedness

- i) Provide emergency management services to ensure continuity of operations, mitigation of hazards and coordinated responses to planned and unplanned emergent/emergency events.

- ii) Maintain liaison with Federal, State, County, City, United States Coast Guard, other governmental and law enforcement agencies for legal/regulatory compliance and emergency management, to include act as representative for Maritime Security Committees.
 - iii) Maintain the ability of the facilities to communicate effectively on the Port of Tacoma 800 MHz Radio System through radios provide by the Port of Tacoma and operated through a Memorandum of Agreement with the tenants as part of the emergency management and security program.
 - iv) Coordinate drills and exercises of security plans and emergency management activities with all Port of Tacoma Maritime Facilities and the appropriate federal, state and local authorities in order to maintain regulatory/legal requirements and operational readiness.
 - v) Represent the Port of Tacoma and all Maritime properties and activities at the U.S. Coast Guard Area Maritime Security Committee General and Executive.
 - vi) Provide representation to the Puget Sound Harbor Safety Committee.
 - vii) Where appropriate, maintain Port of Tacoma access control program and infrastructure for access to facilities in compliance with U.S. Coast Guard regulations.
 - viii) Where appropriate, maintain Port of Tacoma video surveillance program and infrastructure for video surveillance of Port of Tacoma properties.
 - ix) Maintain Port of Tacoma 24 hour a day, 7 day a week security services.
 - x) Where appropriate, provide safety, security and emergency management training for Port of Tacoma personnel, contractors, vendors and tenants as required.
 - xi) Where appropriate, maintain the Port of Tacoma TWIC program.
- c) ICT Information Security
- i) Cyber Security protection, detection and response services.
 - ii) Cyber security Training as required for all Port of Tacoma Security personnel

2) Cost for Service and Charge Methodology – POT to the NWSA:

Service Area and Department # (Acct if appropriate)	Service Item (from list above)	Method of Charges¹	Basis for Charge	Hourly Rate, Fixed Percentage or Formula & Dept	2020 Budgeted Amount²
Security Dept # 40	3.a	Fee for Service	Direct Charge per hour	\$107.33	\$842,740
Security Dept # 40	3.a,b,c	Fixed	Percentage of POT department budget based on analysis of work activities	85% of actual spending	\$3,404,176

3) Scope of Services to be provided by The NWSA to POT

a) None.

4) Cost for Service and Charge Methodology – NWSA to POT

a) None.

5) Service Level Expectations:

- a) 24/7/365 Port Patrol Security Force in Pierce County
- b) Protection of Port of Tacoma and the NWSA personnel and licensed properties in Pierce County
- c) Focus on physical security ensuring compliance with the Port of Tacoma Security Facility Plan as mandated by MTSA and CFR 33 Part 105.

¹ Method Options: Fixed, Project Charges, Fee for Service/Variable. Costs associated with support services will be charged to the Alliance as follows:

- Fixed allocation – Charged as a fixed allocated percentage or formula that will be applied monthly to the actual expenditures.
- Project Charges – Charged to specific projects based on current procedures.
- Fee for Service/Variable – Charges will be tracked and charged based on level of use monthly at rates agreed to when need for service is determined.

² Preliminary budget amount – subject to final budget approval.

- d) Sustaining a safe and secure free flow of commerce
- e) Coordinate with local and regional safety and security organizations.
- f) Performance Measures and Metrics:

This section outlines the performance measures and metrics upon which service under this SLA will be assessed. Shared Service Centers and Customers will negotiate the performance metric, frequency, customer and provider service responsibilities associated with each performance measure.

Measurements of the Port of Tacoma activities are critical to improving services and are **the basis for cost recovery** for services provided. The Port of Tacoma and The Northwest Seaport Alliance have identified activities critical to meeting The NWSA’s business requirements and have agreed upon how these activities will be assessed.

Service Area	Type of Measure ³	Performance Measure (SMART - Specific, Measurable, Achievable, Relevant, Time Bound)	Target
Coastguard	Management	Maintain coastguard requirements.	No audit findings.
Crime Rates	Management	Maintain lowest crime rate in Tacoma within Port of Tacoma jurisdiction, as measured on Tacoma Police Department’s quarterly report.	
Liaison w other govts	Management	Summary report (What type of reporty are you referring to)	30 after mtg (what does this mean?)
800MHz radio system	Management	Monthly test This is done daily as officers utilize their radios	Report of test within 30 days
Drills and exercises of security plans	Management	Qtrly drill	Summary of drill within 30 days

³ Type of Measure Options:

- Time Based – measure is time bound – duration, frequency, by a specific date, etc...
- Management – measure dealing with or controlling issues, communications, or staff
- Accuracy – measure to have a specified level of accuracy to be measurable
- Other – measure that doesn’t fit into category above

Video surveillance	Management	24/7	24/7
Facility access control	Time Based	Contact and referral to City	24/7

6) **Primary Contacts:**

- a) NWSA – Dustin Stoker
- b) POT – Louis Cooper

It is expected that the identified contact people will communicate frequently, to coordinate the work, to confirm that services are being provided in a manner that meets service level expectations, and to evaluate monthly financial performance of actual vs. projected spending.

Draft

EXHIBIT POT - 08

Service Directive for Equipment and Facilities Maintenance Support Services

by and between

Port of Tacoma and The Northwest Seaport Alliance

This document is an Exhibit to the Inter-Local Agreement for Support Services By anthe Port of Tacoma (POT) and The Northwest Seaport Alliance (NWSA).

1) Purpose:

The purpose of this exhibit is to identify the services provided by the Port of Tacoma with regard to Support Services listed above for The Northwest Seaport Alliance. This exhibit defines the mutually agreed upon scope of services, cost for services, charge methodology, and service level expectations to include performance measures and monitoring. Refer to the governing Inter-Local Agreement for terms under which these services are provided.

2) Time period:

This agreement is for calendar year 2020.

3) Scope of Services to be provided by POT to The NWSA

a) Equipment Maintenance

i) The POT will provide mechanical and electrical maintenance services, which include, but are not limited to, the maintenance of cranes, strads, vehicles, forklifts and generators used by NWSA activities.

b) Facilities Maintenance

i) The POT will provide facilities maintenance to NWSA licensed properties, which includes, but is not limited to, plumbing, carpentry, electrical, buildings and grounds maintenance, environmental maintenance and track maintenance.

c) Special administrative projects that are above and beyond the day-to-day services will be charged at the Equipment or Facilities rate depending on the scope of the project.

**EXHIBIT POT - 08 - Service Directive:
Equipment and Facilities Maintenance Support Services**

4) Cost for Service and Charge Methodology – POT to The NWSA:

Service Area and Department # (Acct if appropriate)	Service Item (from list above)	Method of Charges ¹	Basis for Charge	Hourly Rate, Fixed Percentage or Formula & Dept	2020 Budgeted Amount ²
Equipment Dept # 54	3.a	Hourly Rate	Time, Materials, and Overhead	Hourly Rate \$161.60 Allocation – Charged as a percentage or formula, applied monthly to the actual expenditures	Direct charges included in operating expenses
Facilities Dept # 58	3.b	Hourly Rate	Time, Materials, and Overhead	Hourly Rate \$140.34 Allocation – Charged as a percentage or formula, applied monthly to the actual expenditures	Direct charges included in operating expenses

5) Scope of Services to be provided by The NWSA to POT

a) None.

¹ Method Options: Fixed, Project Charges, Fee for Service/Variable. Costs associated with support services will be charged to the Alliance as follows:

- Fixed allocation – Charged as a fixed allocated percentage or formula that will be applied monthly to the actual expenditures.
- Project Charges – Charged to specific projects based on current procedures.
- Fee for Service/Variable – Charges will be tracked and charged based on level of use monthly at rates agreed to when need for service is determined.

² Preliminary budget amount – subject to final budget approval.

6) **Cost for Service and Charge Methodology – NWSA to POT**

- a) None.

7) **Service Level Expectations:**

- a) Customer input regarding prioritization of work will be discussed on a regular basis.
- b) **Performance Measures and Metrics:**

This section outlines the performance measures and metrics upon which service under this SLA will be assessed. Shared Service Centers and Customers will negotiate the performance metric, frequency, customer and provider service responsibilities associated with each performance measure.

Measurements of the Port of Tacoma activities are critical to improving services and are **the basis for cost recovery** for services provided. The Port of Tacoma and The Northwest Seaport Alliance have identified activities critical to meeting The NWSA's business requirements and have agreed upon how these activities will be assessed.

**EXHIBIT POT - 08 - Service Directive:
Equipment and Facilities Maintenance Support Services**

Service Area	Type of Measure ³	Performance Measure (SMART - Specific, Measurable, Achievable, Relevant, Time Bound)	Target
Equipment Maintenance	Management	Crane Uptime	99.6%
Equipment Maintenance	Management	Strad Availability	100%
Equipment Maintenance	Management	Preventative & Corrective Maintenance Work Order - Monthly	WO Completed-80% WO in Progress-17% WO Cancelled-3%
Facilities Maintenance	Management	Preventative & Corrective Maintenance Work Order - Monthly	WO Completed-80% WO in Progress-17% WO Cancelled-3%
Facility Maintenance	Management	Service Request Completion	100%
Facility Maintenance	Management	Stormwater Compliance <ul style="list-style-type: none"> • Source Control • ISGP • MS4 	100%

8) Primary Contacts:

- a) NWSA – Dustin Stoker
- b) POT – Ricardo Charlton

It is expected that the identified contact people will communicate frequently, to coordinate the work, to confirm that services are being provided in a manner that meets service level expectations, and to evaluate monthly financial performance of actual vs. projected spending.

³ Type of Measure Options:

- Time Based – measure is time bound – duration, frequency, by a specific date, etc...
- Management – measure dealing with or controlling issues, communications, or staff
- Accuracy – measure to have a specified level of accuracy to be measurable
- Other – measure that doesn't fit into category above

EXHIBIT POT - 09

Service Directive for Contracts and Purchasing Support Services

by and between

Port of Tacoma and The Northwest Seaport Alliance

This document is an Exhibit to the Inter-Local Agreement for Support Services By and Between the Port of Tacoma (POT) and The Northwest Seaport Alliance (NWSA).

1) Purpose:

The purpose of this exhibit is to identify the services provided by the Port of Tacoma with regard to Support Services listed above for The Northwest Seaport Alliance. This exhibit defines the mutually agreed upon scope of services, cost for services, charge methodology, and service level expectations to include performance measures and monitoring. Refer to the governing Inter-Local Agreement for terms under which these services are provided.

2) Time period:

This agreement is for calendar year 2020.

3) Scope of Services to be provided by POT to The NWSA in the South Harbor

- a) Procurement of Public Works services and products, Consulting Services (Personal and Professional) , and the Purchase of Goods and Purchased Services

Cost for Service and Charge Methodology – POT to The NWSA:

Service Area and Department # (Acct if appropriate)	Service Item (from list above)	Method of Charges¹	Basis for Charge	Hourly Rate, Fixed Percentage or Formula & Dept	2020 Budgeted Amount²
Contracts Dept# 74	3.a	Fixed	Percentage of POT department budget based on analysis of work activities	88% of actual spending	\$1,150,519
Purchasing Dept# 74	3.a	Incl Above	Incl Above	Incl Above	Incl Above

4) Scope of Services to be provided by The NWSA to POT

- a) None. Chief Financial Officer services for POT Homeport business are included in the Executive Management Support Service Directive.

5) Cost for Service and Charge Methodology – NWSA to POT

- a) None.

6) Service Level Expectations:

- a) Procurement timelines will be mutually developed and managed. The customer will be informed of any changes.
- b) Administration of contracts will be in compliance with POT policies and procedures as well as with federal, state and local requirements.
- c) Performance Measures and Metrics:

This section outlines the performance measures and metrics upon which service under this SLA will be assessed. Shared Service Centers and Customers will

¹ Method Options: Fixed, Project Charges, Fee for Service/Variable. Costs associated with support services will be charged to the Alliance as follows:

- Fixed allocation – Charged as a fixed allocated percentage or formula that will be applied monthly to the actual expenditures.
- Project Charges – Charged to specific projects based on current procedures.
- Fee for Service/Variable – Charges will be tracked and charged based on level of use monthly at rates agreed to when need for service is determined.

² Preliminary budget amount – subject to final budget approval.

**EXHIBIT POT - 09 - Service Directive:
Contracts and Purchasing Support Services**

negotiate the performance metric, frequency, customer and provider service responsibilities associated with each performance measure.

Measurements of the Port of Tacoma activities are critical to improving services and are **the basis for cost recovery** for services provided. The Port of Tacoma and The Northwest Seaport Alliance have identified activities critical to meeting The NWSA’s business requirements and have agreed upon how these activities will be assessed.

Service Area	Performance Measure (SMART - Specific, Measurable, Achievable, Relevant, Time Bound)	Target ³
Contracting for non-construction Consulting services, Personal and Professional, for both Harbors	<i>Provide services based on a mutually agreed upon schedule</i>	<i>Meet mutually agreed upon schedule 80% of the time.</i>
Contracting for Public Works, regardless of type , for the South Harbor.	<i>Provide services based on a mutually agreed upon schedule</i>	<i>Meet mutually agreed upon schedule 80% of the time.</i>
PURCHASE GOODS AND SERVICES for both Harbors	<i>Provide services based on a mutually agreed upon schedule</i>	<i>Meet mutually agreed upon schedule 80% of the time.</i>

7) Primary Contacts:

- a) NWSA – Erin Galeno
- b) POT – Mark Little

It is expected that the identified contact people will communicate frequently, to coordinate the work, to confirm that services are being provided in a manner that meets service level expectations, and to evaluate monthly financial performance of actual vs. projected spending.

EXHIBIT POT – 10A
Service Directive for Executive Management Support Services
by and between
Port of Tacoma and The Northwest Seaport Alliance

This document is an Exhibit to the Inter-Local Agreement for Support Services By and Between the Port of Tacoma (POT) and The Northwest Seaport Alliance (NWSA).

1) Purpose:

The purpose of this exhibit is to identify the services provided by the Port of Tacoma with regard to Support Services listed above for The Northwest Seaport Alliance. This exhibit defines the mutually agreed upon scope of services, cost for services, charge methodology, and service level expectations to include performance measures and monitoring. Refer to the governing Inter-Local Agreement for terms under which these services are provided.

2) Time period:

This agreement is for calendar year 2020.

3) Scope of Services to be provided by POT to The NWSA

a) None.

4) Cost for Service and Charge Methodology – POT to The NWSA:

a) None.

5) Scope of Services to be provided by The NWSA to POT

- a) Services of the NWSA Executive Management Team to manage POT Homeport business to include the CEO and the direct reports thereof.
- b) Services of NWSA senior administrative staff to provide POT Commission and executive support.
- c) Outside services for legal support of the POT.
- d) Provide strategic planning and direction to support POT Homeport business. Manage commission, stakeholder and community initiatives and communication.

7) Cost for Service and Charge Methodology – NWSA to POT

Service Area and Department # (Acct if appropriate)	Service Item (from list above)	Method of Charges ¹	Basis for Charge	Hourly Rate, Fixed Percentage or Formula & Dept	2020 Budgeted Amount ²
Executive Mgmt Dept # 62	3.a-d	Fixed	Percentage of budget based on analysis of work activities	16% of actual spending	\$615,038

8) Service Level Expectations:

- a) Executives effectively prioritize and manage business activities associated with the NWSA and Port of Tacoma.
- b) Performance Measures and Metrics:

This section outlines the performance measures and metrics upon which service under this SLA will be assessed. Shared Service Centers and Customers will negotiate the performance metric, frequency, customer and provider service responsibilities associated with each performance measure.

Measurements of the Port of Tacoma activities are critical to improving services and are **the basis for cost recovery** for services provided. The Port of Tacoma and The Northwest Seaport Alliance have identified activities critical to meeting The NWSA’s business requirements and have agreed upon how these activities will be assessed.

¹ Method Options: Fixed, Project Charges, Fee for Service/Variable. Costs associated with support services will be charged to the Alliance as follows:

- Fixed allocation – Charged as a fixed allocated percentage or formula that will be applied monthly to the actual expenditures.
- Project Charges – Charged to specific projects based on current procedures.
- Fee for Service/Variable – Charges will be tracked and charged based on level of use monthly at rates agreed to when need for service is determined.

² Preliminary budget amount – subject to final budget approval.

**EXHIBIT POT – 10A - Service Directive:
Executive Management Support Services**

Service Area	Type of Measure ³	Performance Measure (SMART - Specific, Measurable, Achievable, Relevant, Time Bound)	Target
Executive Management	Other	Establish annual goals and expectations.	Quarterly progress reports on status

9) Primary Contacts:

- a) NWSA – Kurt Beckett
- b) POT – Eric Johnson

It is expected that the identified contact people will communicate frequently, to coordinate the work, to confirm that services are being provided in a manner that meets service level expectations, and to evaluate monthly financial performance of actual vs. projected spending.

Draft

³ Type of Measure Options:

- Time Based – measure is time bound – duration, frequency, by a specific date, etc...
- Management – measure dealing with or controlling issues, communications, or staff
- Accuracy – measure to have a specified level of accuracy to be measurable
- Other – measure that doesn't fit into category above

EXHIBIT POT – 10B
Service Directive for Commissioners Support Services
by and between
Port of Tacoma and The Northwest Seaport Alliance

This document is an Exhibit to the Inter-Local Agreement for Support Services By and Between the Port of Tacoma (POT) and The Northwest Seaport Alliance (NWSA).

1) Purpose:

The purpose of this exhibit is to identify the services provided by the Port of Tacoma with regard to Support Services listed above for The Northwest Seaport Alliance. This exhibit defines the mutually agreed upon scope of services, cost for services, charge methodology, and service level expectations to include performance measures and monitoring. Refer to the governing Inter-Local Agreement for terms under which these services are provided.

2) Time period:

This agreement is for calendar year 2020.

3) Scope of Services to be provided by POT to The NWSA

a) Commission Support

- i) The PDA shall be governed by its Managing Members who will carry out the provisions of RCW 53.08 by overseeing the business of the PDA, setting policy and strategic direction for the NWSA in both internal and external matters and provide for their implementation.
- ii) The Managing Members shall meet at least quarterly and may hold executive sessions to consider matters enumerated in RCW 42.30 or privileged matters recognized by law.
- iii) Oversee The Northwest Seaport Alliance Charter and other formation documents.
 - (1) Costs include commission salary, benefits, travel and major community memberships.

4) Cost for Service and Charge Methodology – POT to The NWSA:

Service Area and Department # (Acct if appropriate)	Service Item (from list above)	Method of Charges ¹	Basis for Charge	Hourly Rate, Fixed Percentage or Formula & Dept	2020 Budgeted Amount ²
Commission Support Dept # 60	3.a	Fixed	Percent of budget based on analysis of work activities	50%	\$252,627

5) Scope of Services to be provided by The NWSA to POT

a) None.

6) Cost for Service and Charge Methodology – The NWSA to POT:

a) None.

7) Service Level Expectations:

a) Performance Measures and Metrics:

This section outlines the performance measures and metrics upon which service under this SLA will be assessed. Shared Service Centers and Customers will negotiate the performance metric, frequency, customer and provider service responsibilities associated with each performance measure.

Measurements of the Port of Tacoma activities are critical to improving services and are **the basis for cost recovery** for services provided. The Port of Tacoma and The Northwest Seaport Alliance have identified activities critical to meeting The NWSA’s business requirements and have agreed upon how these activities will be assessed.

¹ Method Options: Fixed, Project Charges, Fee for Service/Variable. Costs associated with support services will be charged to the Alliance as follows:

- Fixed allocation – Charged as a fixed allocated percentage or formula that will be applied monthly to the actual expenditures.
- Project Charges – Charged to specific projects based on current procedures.
- Fee for Service/Variable – Charges will be tracked and charged based on level of use monthly at rates agreed to when need for service is determined.

² Preliminary budget amount – subject to final budget approval.

Service Area	Type of Measure ³	Performance Measure (SMART - Specific, Measurable, Achievable, Relevant, Time Bound)	Target
Managing Members – Meeting Frequency	Other	The Managing Members shall meet at least quarterly and may hold executive sessions to oversee the business of the PDA, set policy and strategic direction for the NWSA.	At least Quarterly
Managing Members – Compliance	Other	Managing Members will carry out the provisions of the PDA in RCW 53.08 and RCW 42.30.	100% compliance
Managing Members – Meeting Attendance	Other	Three or more commissioners present at Managing Member meetings.	100% of MM Meetings

1) Primary Contacts:

- a) NWSA – Kurt Beckett
- b) POT – Eric Johnson

It is expected that the identified contact people will communicate frequently, to coordinate the work, to confirm that services are being provided in a manner that meets service level expectations, and to evaluate monthly financial performance of actual vs. projected spending.

³ Type of Measure Options:

- Time Based – measure is time bound – duration, frequency, by a specific date, etc...
- Management – measure dealing with or controlling issues, communications, or staff
- Accuracy – measure to have a specified level of accuracy to be measurable
- Other – measure that doesn’t fit into category above

EXHIBIT POT - 11

Service Directive for Portwide Infrastructure, Sitcum Office

by and between

Port of Tacoma and The Northwest Seaport Alliance

This document is an Exhibit to the Inter-Local Agreement for Support Services By and Between the Port of Tacoma (POT) and The Northwest Seaport Alliance (NWSA).

1) Purpose:

The purpose of this exhibit is to identify the services provided by the Port of Tacoma with regard to Support Services listed above for The Northwest Seaport Alliance. This exhibit defines the mutually agreed upon scope of services, cost for services, charge methodology, and service level expectations to include performance measures and monitoring. Refer to the governing Inter-Local Agreement for terms under which these services are provided.

2) Time period:

This agreement is for calendar year 2020.

3) Scope of Services to be provided by POT to The NWSA

a) Sitcum Office

- i) POT will provide fully serviced office, conference room space and common area space at 1 Sitcum Plaza for staff in Tacoma that provide services to NWSA.

b) Fabulich Building (or alternative facilities for MM Meetings)

- i) POT will provide fully serviced commission chambers, conference room space and common area space at 1 Sitcum Plaza for staff in Tacoma that provide services to NWSA.

c) Portwide Infrastructure

- i) POT will maintain infrastructure – roads, entrances, exits common areas as required by regulatory agencies and maintain a safe working environment at Port of Tacoma facilities.

4) Cost for Service and Charge Methodology – POT to The NWSA:

Service Area and Department (Acct if appropriate)	Service Item (from list above)	Method of Charges ¹	Basis for Charge	Hourly Rate, Fixed Percentage or Formula & Dept	2020 Budgeted Amount ²
Portwide Infrastructure Depts 30,90	3.a-c	Fixed	Department Headcount Allocation	80%	\$1,534,260

5) Scope of Services to be provided by The NWSA to POT

- a) None

6) Cost for Service and Charge Methodology – NWSA to POT

- a) None

7) Service Level Expectations:

- a) Office and conference room spaces are available and fully functional with the same high level of service it provides to the POT.
- b) Infrastructure – common areas, entrances, exits, roads are in maintained and functional with the same high level of service it provides to the POT.
- c) Performance Measures and Metrics:

This section outlines the performance measures and metrics upon which service under this SLA will be assessed. Shared Service Centers and Customers will negotiate the performance metric, frequency, customer and provider service responsibilities associated with each performance measure.

¹ Method Options: Fixed, Project Charges, Fee for Service/Variable. Costs associated with support services will be charged to the Alliance as follows:

- Fixed allocation – Charged as a fixed allocated percentage or formula that will be applied monthly to the actual expenditures.
- Project Charges – Charged to specific projects based on current procedures.
- Fee for Service/Variable – Charges will be tracked and charged based on level of use monthly at rates agreed to when need for service is determined.

² Preliminary budget amount – subject to final budget approval.

Measurements of the Port of Tacoma activities are critical to improving services and are **the basis for cost recovery** for services provided. The Port of Tacoma and The Northwest Seaport Alliance have identified activities critical to meeting The NWSA’s business requirements and have agreed upon how these activities will be assessed.

Service Area	Type of Measure ³	Performance Measure (SMART - Specific, Measurable, Achievable, Relevant, Time Bound)	Target
Portwide Infrastructure	Management	Facilities are available and maintained (same level of service as POT)	100%

8) Primary Contacts:

- a) NWSA – Erin Galeno
- b) POT – Scott Francis/ Darren Arakaki

It is expected that the identified contact people will communicate frequently, to coordinate the work, to confirm that services are being provided in a manner that meets service level expectations, and to evaluate monthly financial performance of actual vs. projected spending.

³ Type of Measure Options:

- Time Based – measure is time bound – duration, frequency, by a specific date, etc...
- Management – measure dealing with or controlling issues, communications, or staff
- Accuracy – measure to have a specified level of accuracy to be measurable
- Other – measure that doesn’t fit into category above

EXHIBIT POT - 12
Service Directive for Human Resources Support Services
by and between
Port of Tacoma and The Northwest Seaport Alliance

This document is an Exhibit to the Inter-Local Agreement for Support Services By and Between the Port of Tacoma (POT) and The Northwest Seaport Alliance (NWSA).

1) Purpose:

The purpose of this exhibit is to identify the services provided by the Port of Tacoma with regard to Support Services listed above for The Northwest Seaport Alliance. This exhibit defines the mutually agreed upon scope of services, cost for services, charge methodology, and service level expectations to include performance measures and monitoring. Refer to the governing Inter-Local Agreement for terms under which these services are provided.

2) Time period:

This agreement is for calendar year 2020.

3) Scope of Services to be provided by POT to The NWSA

a) Human Resources

- i) Provide services to evaluate and implement salary and benefits for NWSA employees.
- ii) Provide services to support NWSA employee relations, professional development, retention, recruiting and hiring.
- iii) Provide services to support NWSA organizational development and team building.
- iv) Work closely with benefits broker to insure cost competitive rates with vendors.

b) Labor Relations

- i) Management and negotiation of CBA and other labor relations activities for represented employees working for POT under service agreements to NWSA.

4) Cost for Service and Charge Methodology – POT to The NWSA:

Service Area and Department (Acct if appropriate)	Service Item (from list above)	Method of Charges ¹	Basis for Charge	Hourly Rate, Fixed Percentage or Formula & Dept	2020 Budgeted Amount ²
Human Resources Dept# 76	3.a-b	Fixed	Percentage of POT department budget based on analysis of work activities	88 % of actual spending	\$936,746

5) Scope of Services to be provided by The NWSA to POT

- a) None. Chief HR Officer services for POT Homeport business are included in the Executive Management Support Service Directive.

6) Cost for Service and Charge Methodology – NWSA to POT

- a) None.

7) Service Level Expectations:

- a) Employee information is handled in compliance with all applicable laws.
 b) Salary and benefit programs are designed based on competitive market data.
 c) Performance Measures and Metrics:

This section outlines the performance measures and metrics upon which service under this SLA will be assessed. Shared Service Centers and Customers will negotiate the performance metric, frequency, customer and provider service responsibilities associated with each performance measure.

Measurements of the Port of Tacoma activities are critical to improving services and are **the basis for cost recovery** for services provided. The Port of Tacoma and

¹ Method Options: Fixed, Project Charges, Fee for Service/Variable. Costs associated with support services will be charged to the Alliance as follows:

- Fixed allocation – Charged as a fixed allocated percentage or formula that will be applied monthly to the actual expenditures.
- Project Charges – Charged to specific projects based on current procedures.
- Fee for Service/Variable – Charges will be tracked and charged based on level of use monthly at rates agreed to when need for service is determined.

² Preliminary budget amount – subject to final budget approval.

The Northwest Seaport Alliance have identified activities critical to meeting The NWSA’s business requirements and have agreed upon how these activities will be assessed.

Service Area	Type of Measure ³	Performance Measure (SMART - Specific, Measurable, Achievable, Relevant, Time Bound)	Target
Human Resources - Recruitment	Time Based	- Respond to all parties as it relates to recruitment, clearly communicating process and status thereof	- 48 hour response in most circumstances
Human Resources – Employee Relations	Time Based	- Respond to all questions and requests, clearly communicating process and status thereof	- 48 hour response in most circumstances
Human Resources – Performance Management	Time Based	- Complete performance management process to allow for on time pay increase	- Pay increase effective 4/1

8) Primary Contacts:

- a) NWSA – John Wolfe
- b) POT – Jean West

It is expected that the identified contact people will communicate frequently, to coordinate the work, to confirm that services are being provided in a manner that meets service level expectations, and to evaluate monthly financial performance of actual vs. projected spending.

³ Type of Measure Options:

- Time Based – measure is time bound – duration, frequency, by a specific date, etc...
- Management – measure dealing with or controlling issues, communications, or staff
- Accuracy – measure to have a specified level of accuracy to be measurable
- Other – measure that doesn’t fit into category above

EXHIBIT POT - 13
Service Directive for Environmental and Planning Support Services
by and between
Port of Tacoma and The Northwest Seaport Alliance

This document is an Exhibit to the Inter-Local Agreement for Support Services By and Between the Port of Tacoma (POT) and The Northwest Seaport Alliance (NWSA).

1) Purpose:

The purpose of this exhibit is to identify the services provided by the Port of Tacoma with regard to Support Services listed above for The Northwest Seaport Alliance. This exhibit defines the mutually agreed upon scope of services, cost for services, charge methodology, and service level expectations to include performance measures and monitoring. Refer to the governing Inter-Local Agreement for terms under which these services are provided.

2) Time period:

This agreement is for calendar year 2020.

3) Scope of Services to be provided by POT to The NWSA

a) Environmental and Planning

- i) POT staff will provide The NWSA with project delivery for NWSA projects. Services include planning, permitting, SEPA/NEPA, environmental remediation and habitat mitigation.
- ii) POT staff will fill key roles for NWSA environmental program management. NWSA, POT & POS staff will coordinate closely on regional air quality, land use, transportation and facility planning and water quality (stormwater) management programs.
- iii) For projects completed in King County, POT and NWSA staff will coordinate with Port of Seattle Maritime Division staff, including but not limited to permitting, SEPA/NEPA, project management, land use, transportation and facility planning, construction management and design services.

Note: This does not restrict staff from working on NWSA projects in King County, but for budgeting purposes, the assumption is that for initial years of operation, project delivery will be within homeport geography.

- iv) POT Environmental Services staff will provide hazardous material cleanup response, hazardous material cleanup, illicit discharge response and management of hazardous material disposal on NWSA projects as needed.

4) Cost for Service and Charge Methodology – POT to The NWSA:

Service Area and Department # (Acct if appropriate)	Service Item (from list above)	Method of Charges¹	Basis for Charge	Hourly Rate, Fixed Percentage or Formula & Dept	2019 Budgeted Amount²
Environmental Project Support Dept# 48	3.a.i-iii	Project Charges	Project-Specific Agreements	Hourly Rate Schedule \$144	Costs for “Expense” project are included in operating expenses
Hazardous Material Cleanup Response Dept# 48	3.a.iv	Project Charges	Already budgeted in POT, no charge.	Included above	Included above

5) Scope of Services to be provided by The NWSA to POT

a) Planning and Environmental Programs (POT: J. Jordan, NWSA: D. Chamberlain)

- i) NWSA staff will provide services to POT for port facility planning, land use planning, transportation planning, air quality and water quality (stormwater) management programs, and grant management coordination related to POT Non-Alliance properties.
- ii) NWSA, POT, & POS staff will collaborate and share information on land use plans and projects and environmental programs.
- iii) NWSA staff will provide project-specific planning and environmental support to POT as requested, for POT Non-Alliance properties.
- iv) NWSA Environmental Services staff will provide hazardous material cleanup response, hazardous material cleanup, illicit discharge response and management of hazardous material disposal on POT projects if requested.

¹ Method Options: Fixed, Project Charges, Fee for Service/Variable. Costs associated with support services will be charged to the Alliance as follows:

- Fixed allocation – Charged as a fixed allocated percentage or formula that will be applied monthly to the actual expenditures.
- Project Charges – Charged to specific projects based on current procedures.
- Fee for Service/Variable – Charges will be tracked and charged based on level of use monthly at rates agreed to when need for service is determined.

² Preliminary budget amount – subject to final budget approval.

6) Cost for Service and Charge Methodology – NWSA to POT

Service Area and Department (Acct if appropriate)	Service Item (from list above)	Method of Charges	Basis for Charge	Hourly Rate, Fixed Percentage or Formula	2020 Budgeted Amount
Planning Programs Dept# 80	5.a.ii	Fixed	Percentage of NWSA department costs based on analysis of work activities	33% of actual spending	\$267,141
Air, Water Quality Environmental Project Support Dept# 48	5.a.i	Project Charges	Project-Specific Agreements	Hourly Rate \$144	Costs for "Expense" project are included in operating expenses
Hazardous Material Cleanup Response Dept# 48	5.a.iii	Project Charges	Already budgeted in NWSA, no charge.	Included above	Included above

7) Service Level Expectations:

- a) Approval: All services provided by POT for the NWSA shall be approved and/or authorized by the NWSA or their designated representative. The NWSA Master Policy is the controlling document for authorization of projects. Execution of work shall be consistent with relative policies and procedures for each organization.
- b) Request for Services: All requests for services shall be documented. Any changes to the agreed to terms of services shall be documented and agreed to by all parties.
- c) Performance Measures and Metrics:

This section outlines the performance measures and metrics upon which service under this SLA will be assessed. Shared Service Centers and Customers will negotiate the performance metric, frequency, customer and provider service responsibilities associated with each performance measure.

Measurements of the Port of Tacoma activities are critical to improving services and are **the basis for cost recovery** for services provided. The Port of Tacoma and The Northwest Seaport Alliance have identified activities critical to meeting The NWSA's business requirements and have agreed upon how these activities will be assessed.

**EXHIBIT POT - 13 - Service Directive:
Environmental and Planning Support Services**

Service Area	Type of Measure³	Performance Measure (SMART - Specific, Measurable, Achievable, Relevant, Time Bound)	Target
Environmental & Planning	<i>Time Based</i>	- <i>Timely response to request</i>	- <i>w/in 24 hrs</i>
Planning	<i>Time Based</i>	- <i>Timely notice of change in scope, schedule or budget</i>	<i>Within 24 hours of change</i>
Hazardous Material Clean up	<i>Time Based</i>	- <i>Manage clean up</i> - <i>Notification to reg agencies</i> - <i>Future preventon plan</i>	- <i>w/in 24 hrs</i> - <i>w/in 48 hrs</i> - <i>w/in 72 hrs</i>

8) Primary Contacts:

- a) NWSA – Kurt Beckett
- b) POT – Jason Jordan

It is expected that the identified contact people will communicate frequently, to coordinate the work, to confirm that services are being provided in a manner that meets service level expectations, and to evaluate monthly financial performance of actual vs. projected spending.

³ Type of Measure Options:

- Time Based – measure is time bound – duration, frequency, by a specific date, etc...
- Management – measure dealing with or controlling issues, communications, or staff
- Accuracy – measure to have a specified level of accuracy to be measurable
- Other – measure that doesn't fit into category above

EXHIBIT POT - 14
Service Directive for Marketing and Business Support Services
by and between
Port of Tacoma and The Northwest Seaport Alliance

This document is an Exhibit to the Inter-Local Agreement for Support Services By and Between the Port of Tacoma (POT) and The Northwest Seaport Alliance (NWSA).

1) Purpose:

The purpose of this exhibit is to identify the services provided by the Port of Tacoma with regard to Support Services listed above for The Northwest Seaport Alliance. This exhibit defines the mutually agreed upon scope of services, cost for services, charge methodology, and service level expectations to include performance measures and monitoring. Refer to the governing Inter-Local Agreement for terms under which these services are provided.

2) Time period:

This agreement is for calendar year 2020.

3) Scope of Services to be provided by POT to The NWSA

a) None.

4) Cost for Service and Charge Methodology – POT to The NWSA:

a) None.

5) Scope of Services to be provided by The NWSA to POT

- a) Management services of the NWSA Marketing and Business Support Team to support POT Homeport business.
- b) Business Support Services of NWSA Marketing and Business Support staff to provide POT Commission and commercial support.
- c) Provide strategic planning and direction to support POT Homeport business. Manage commission, stakeholder and community initiatives and communication.

6) Cost for Service and Charge Methodology – NWSA to POT

Service Area and Department (Acct if appropriate)	Service Item (from list above)	Method of Charges ¹	Basis for Charge	Hourly Rate, Fixed Percentage or Formula & Dept	2020 Budgeted Amount ²
Marketing & Business Support Dept #82	3.a-d	Fixed	Percentage of budget based on analysis of work activities	20% of actual spending	\$235,017

7) Service Level Expectations:

- a) Effectively prioritize and manage business activities associated with the NWSA and Port of Tacoma.
- b) Provides timely strategic planning and commercial support for Port of Tacoma businesses.
- c) Performance Measures and Metrics:

This section outlines the performance measures and metrics upon which service under this SLA will be assessed. Shared Service Centers and Customers will negotiate the performance metric, frequency, customer and provider service responsibilities associated with each performance measure.

Measurements of the Port of Tacoma activities are critical to improving services and are **the basis for cost recovery** for services provided. The Port of Tacoma and The Northwest Seaport Alliance have identified activities critical to meeting The NWSA’s business requirements and have agreed upon how these activities will be assessed.

¹ Method Options: Fixed, Project Charges, Fee for Service/Variable. Costs associated with support services will be charged to the Alliance as follows:

- Fixed allocation – Charged as a fixed allocated percentage or formula that will be applied monthly to the actual expenditures.
- Project Charges – Charged to specific projects based on current procedures.
- Fee for Service/Variable – Charges will be tracked and charged based on level of use monthly at rates agreed to when need for service is determined.

² Preliminary budget amount – subject to final budget approval.

Service Area	Type of Measure ³	Performance Measure (SMART - Specific, Measurable, Achievable, Relevant, Time Bound)	Target

8) Primary Contacts:

- a) NWSA – Tong Zhu
- b) POT – Eric Johnson

It is expected that the identified contact people will communicate frequently, to coordinate the work, to confirm that services are being provided in a manner that meets service level expectations, and to evaluate monthly financial performance of actual vs. projected spending.

Draft

³ Type of Measure Options:

- Time Based – measure is time bound – duration, frequency, by a specific date, etc...
- Management – measure dealing with or controlling issues, communications, or staff
- Accuracy – measure to have a specified level of accuracy to be measurable
- Other – measure that doesn't fit into category above

EXHIBIT POT - 15

Service Directive for Railcar and Freight and Operations Coordinator Support Services

by and between

Port of Tacoma and The Northwest Seaport Alliance

This document is an Exhibit to the Inter-Local Agreement for Support Services By and Between the Port of Tacoma (POT) and The Northwest Seaport Alliance (NWSA).

1) Purpose:

The purpose of this exhibit is to identify the services provided by the Port of Tacoma with regard to Support Services listed above for The Northwest Seaport Alliance. This exhibit defines the mutually agreed upon scope of services, cost for services, charge methodology, and service level expectations to include performance measures and monitoring. Refer to the governing Inter-Local Agreement for terms under which these services are provided.

2) Time period:

This agreement is for calendar year 2020.

3) Scope of Services to be provided by POT to The NWSA

a) Customer Service

- i) The NWSA will contract with POT for railcar coordinators and freight coordinators and Operations support for work associated with NWSA-licensed properties in Pierce County.

**EXHIBIT POT - 15 - Service Directive:
Railcar and Freight and Operations Coordinator Support Services**

4) Cost for Service and Charge Methodology – POT to The NWSA:

Service Area and Department (Acct if appropriate)	Service Item (from list above)	Method of Charges ¹	Basis for Charge	Hourly Rate, Fixed Percentage or Formula & Dept	2020 Budgeted Amount ²
<u>Customer Service Dept 16</u>	3.a	Fixed	Percentage of POT department budget based on analysis of work activities	100 % of actual spending	\$1,386,114

5) Scope of Services to be provided by The NWSA to POT

a) None.

6) Cost for Service and Charge Methodology – NWSA to POT

a) None.

7) Service Level Expectations:

- a) Operations resources are available for efficient operations and timely service delivery.
- b) Manage operating costs using best operational best practices to maximize profitability.
- c) Performance Measures and Metrics:

This section outlines the performance measures and metrics upon which service under this SLA will be assessed. Shared Service Centers and Customers will negotiate the performance metric, frequency, customer and provider service responsibilities associated with each performance measure.

Measurements of the Port of Tacoma activities are critical to improving services and are **the basis for cost recovery** for services provided. The Port of Tacoma and

¹ Method Options: Fixed, Project Charges, Fee for Service/Variable. Costs associated with support services will be charged to the Alliance as follows:

- Fixed allocation – Charged as a fixed allocated percentage or formula that will be applied monthly to the actual expenditures.
- Project Charges – Charged to specific projects based on current procedures.
- Fee for Service/Variable – Charges will be tracked and charged based on level of use monthly at rates agreed to when need for service is determined.

² Preliminary budget amount – subject to final budget approval.

**EXHIBIT POT - 15 - Service Directive:
Railcar and Freight and Operations Coordinator Support Services**

The Northwest Seaport Alliance have identified activities critical to meeting The NWSA’s business requirements and have agreed upon how these activities will be assessed.

Service Area	Type of Measure ³	Performance Measure (SMART - Specific, Measurable, Achievable, Relevant, Time Bound)	Target
Customer Service	Accuracy	Deliver billing information to billing department	5 days after vessel
		Dock Receipt copy to shipping line	Daily
		Customs Clearance	Daily
		Damage Reporting	Daily
		Accurate OSD Reporting	Daily
		Manifest Reception and Accuracy	Daily
		Yard inventory	Daily
Railcar Coordinators	Accuracy	Order rail cars into NIM yard (switch request)	Daily
		Performance Reporting	Daily/Weekly
		Accountability Reports	Daily
		Planning Container loading	Daily
		Receiving Rail cars into the NIM yard	Daily
		Coordinating Rail car inspections with TTX	Daily
		Track and Tracing Rail cars and containers	Daily

³ Type of Measure Options:

- Time Based – measure is time bound – duration, frequency, by a specific date, etc...
- Management – measure dealing with or controlling issues, communications, or staff
- Accuracy – measure to have a specified level of accuracy to be measurable
- Other – measure that doesn’t fit into category above

**EXHIBIT POT - 15 - Service Directive:
Railcar and Freight and Operations Coordinator Support Services**

Freight Coordinators	Accuracy	Customs Clearance Paperwork	Daily
		Accurate inputs for containers (DIMS, Weights, ETC)	Daily
		Customer interaction via phone call, email	Daily
		Ensure destinations are accurate in all systems	Daily
		Track and Tracing Rail cars and containers	Daily

8) Primary Contacts:

- a) NWSA – Dustin Stoker
- b) POT – Bob Meyer

It is expected that the identified contact people will communicate frequently, to coordinate the work, to confirm that services are being provided in a manner that meets service level expectations, and to evaluate monthly financial performance of actual vs. projected spending.

**EXHIBIT POT - 16
Service Directive for Business Development Support Services
by and between
Port of Tacoma and The Northwest Seaport Alliance**

This document is an Exhibit to the Inter-Local Agreement for Support Services By and Between the Port of Tacoma (POT) and The Northwest Seaport Alliance (NWSA).

1) Purpose:

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2) Time period:

This agreement is for calendar year 2020.

3) Scope of Services to be provided by POT to The NWSA

a) None.

4) Cost for Service and Charge Methodology – POT to The NWSA:

a) None.

5) Scope of Services to be provided by The NWSA to POT

a) Management of Taylor Way Auto Facility business.

6) Cost for Service and Charge Methodology – NWSA to POT

Service Area and Department (Acct if appropriate)	Service Item (from list above)	Method of Charges	Basis for Charge	Hourly Rate, Fixed Percentage or Formula & Dept	2020 Budgeted Amount
Business Development Dept# 20	5.a	Fixed	Percentage of budget based on analysis of work activities	5% of actual spending	\$179,291

7) Service Level Expectations:

- a) To be determined for each individual service to be provided at the time of request
- b) Performance Measures and Metrics:

This section outlines the performance measures and metrics upon which service under this SLA will be assessed. Shared Service Centers and Customers will negotiate the performance metric, frequency, customer and provider service responsibilities associated with each performance measure.

Measurements of the NWSA activities are critical to improving services and are **the basis for cost recovery** for services provided. The Port of Tacoma and The Northwest Seaport Alliance have identified activities critical to meeting The POT’s business requirements and have agreed upon how these activities will be assessed.

Service Area	Type of Measure ¹	Performance Measure (SMART - Specific, Measurable, Achievable, Relevant, Time Bound)	Target
Revenue management	Management	Monitor auto volumes to ensure that minimum payment is accurately identified and invoices	Estimated \$2.9 million revenue

8) Primary Contacts:

- a) NWSA – Tong Zhu
- b) POT – Eric Johnson

It is expected that the identified contact people will communicate frequently, to coordinate the work, to confirm that services are being provided in a manner that meets service level expectations, and to evaluate monthly financial performance of actual vs. projected spending.

¹ Type of Measure Options:

- Time Based – measure is time bound – duration, frequency, by a specific date, etc...
- Management – measure dealing with or controlling issues, communications, or staff
- Accuracy – measure to have a specified level of accuracy to be measurable
- Other – measure that doesn’t fit into category above

EXHIBIT POT - 17
Service Directive for Additional Support Services as Needed
by and between
Port of Tacoma and The Northwest Seaport Alliance

This document is an Exhibit to the Inter-Local Agreement for Support Services By and Between the Port of Tacoma (POT) and The Northwest Seaport Alliance (NWSA).

1) Purpose:

The purpose of this exhibit is to identify the services provided by the Port of Tacoma with regard to Support Services listed above for The Northwest Seaport Alliance. This exhibit defines the mutually agreed upon scope of services, cost for services, charge methodology, and service level expectations to include performance measures and monitoring. Refer to the governing Inter-Local Agreement for terms under which these services are provided.

2) Time period:

This agreement is for calendar year 2020.

3) Scope of Services to be provided by POT to The NWSA

- a) POT will provide miscellaneous additional support services as requested by The NWSA. The specific scope of those services will be determined at the time of the request. These are services that are not covered by one of the other service agreement exhibits. Charges will be tracked and charged based on level of use monthly at rates agreed to when need for service is determined

4) Cost for Service and Charge Methodology – POT to The NWSA:

Service Area and Department (Acct if appropriate)	Service Item (from list above)	Method of Charges ¹	Basis for Charge	Hourly Rate, Fixed Percentage or Formula & Dept	2020 Budgeted Amount ²
	3.a	Fee for Service/Variable	Level of use monthly at agreed to rates	Agreed to when need for service is determined	\$XXX,XXX.XX

5) Scope of Services to be provided by The NWSA to POT

- a) NWSA staff will provide miscellaneous support services to POT if requested by POT. The specific scope of those services will be determined at the time of the request. These are services that are not covered by one of the other service agreement exhibits. Charges will be tracked and charged based on level of use monthly at rates agreed to when need for service is determined

6) Cost for Service and Charge Methodology – NWSA to POT

Service Area and Department (Acct if appropriate)	Service Item (from list above)	Method of Charges	Basis for Charge	Hourly Rate, Fixed Percentage or Formula & Dept	2020 Budgeted Amount
	5.a	Fee for Service/Variable	Level of use monthly at agreed to rates	Agreed to when need for service is determined	\$XXX,XXX.XX

7) Service Level Expectations:

¹ Method Options: Fixed, Project Charges, Fee for Service/Variable. Costs associated with support services will be charged to the Alliance as follows:

- Fixed allocation – Charged as a fixed allocated percentage or formula that will be applied monthly to the actual expenditures.
- Project Charges – Charged to specific projects based on current procedures.
- Fee for Service/Variable – Charges will be tracked and charged based on level of use monthly at rates agreed to when need for service is determined.

² Preliminary budget amount – subject to final budget approval.

- a) To be determined for each individual service to be provided at the time of request
- b) Performance Measures and Metrics:

This section outlines the performance measures and metrics upon which service under this SLA will be assessed. Shared Service Centers and Customers will negotiate the performance metric, frequency, customer and provider service responsibilities associated with each performance measure.

Measurements of the Port of Tacoma activities are critical to improving services and are **the basis for cost recovery** for services provided. The Port of Tacoma and The Northwest Seaport Alliance have identified activities critical to meeting The NWSA’s business requirements and have agreed upon how these activities will be assessed.

Service Area	Type of Measure ³	Performance Measure (SMART - Specific, Measurable, Achievable, Relevant, Time Bound)	Target
Example - Accounting	<i>Time Based</i>	<ul style="list-style-type: none"> - <i>Days to complete monthly close</i> - <i>Days to complete quarterly close</i> 	<ul style="list-style-type: none"> - <i>X days</i> - <i>X days</i>
Example - Finance	<i>Time Based</i>	<p><i>Meet budget deadlines:</i></p> <ul style="list-style-type: none"> - <i>Complete Prelim Budget Document</i> - <i>Present Prelim Budget in Study Session</i> - <i>Present Final Budget to MM</i> 	<ul style="list-style-type: none"> <i>10/2/2019</i> <i>10/30/2019</i> <i>11/13/2019</i>
Example - Treasury	<i>Management</i>	<i>Maintain Cash on Hand consistent with policy</i>	<i>(input calculation here)</i>
Example - Payroll	<i>Accuracy</i>	<ul style="list-style-type: none"> - <i># payments requiring manual intervention</i> - <i>Number of out of cycle payments</i> 	<ul style="list-style-type: none"> <i>___ pmts</i> <i>___ pmts</i>

³ Type of Measure Options:

- Time Based – measure is time bound – duration, frequency, by a specific date, etc...
- Management – measure dealing with or controlling issues, communications, or staff
- Accuracy – measure to have a specified level of accuracy to be measurable
- Other – measure that doesn’t fit into category above

8) Primary Contacts:

- a) NWSA – Erin Galeno
- b) POT – Darren Arakaki

It is expected that the identified contact people will communicate frequently, to coordinate the work, to confirm that services are being provided in a manner that meets service level expectations, and to evaluate monthly financial performance of actual vs. projected spending.

Draft

Item No.: 4A
Date of Meeting: 11/25/19

***2020 Tax Levy
&
2020 Statutory Budget***

***NWSA-POT 2020 Inter Local
Agreements***

***Commission Meeting
November 25th, 2019***



Changes From 2020 Budget Study Session

- Reflects final NWSA Distributable Revenue
- Incorporated changes to Lower Wapato Creek spending as discussed in the study session. Moved bulk of spending to 2021
- Eliminated unnecessary Technology program in CIP that has been removed from operating budget

Questions From Commissioners

- Q1: What would happen if we increased the land purchase budget by \$5M?
- A1: CIP would increase by \$5M, Ending cash for 2020 would decrease by \$5M to \$170.8 million, which is \$104 million above minimum in 2020. This reduction in cash would flow to ending cash in 2024.

Port of Tacoma – Future Administration Building Investment



The current 2020 -2024 includes \$12 million (\$9M in 2020, \$3M in 2021) for major maintenance and repairs to the current Port Administration building.

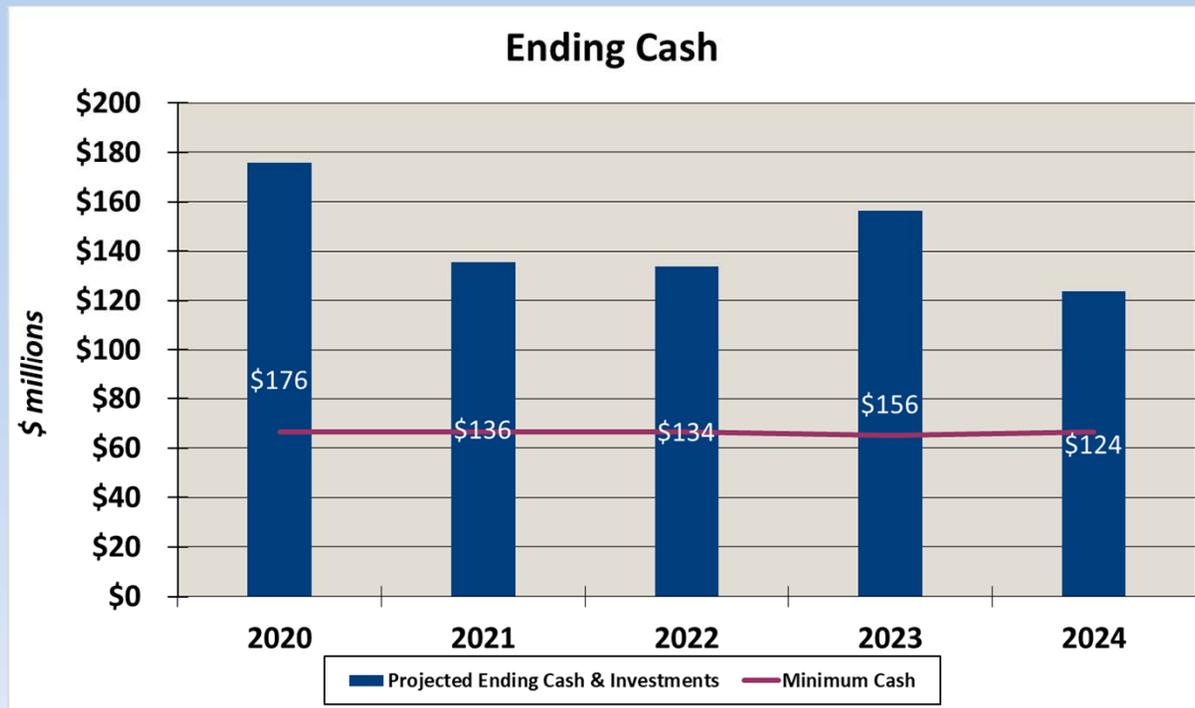
- The estimated repairs are based on an independent assessment.
- The repairs assume a 20 year future life of the building.
- If a new Port administration building is developed in the next 3 – 5 years, the estimated repairs may be staged and potentially reduced to approximately \$4 million.

Agenda



- 2020-2024 Ending Cash Position
- 2020 Tax Levy
- 2020 Operating Budget
- 2020 Statutory Budget
- 2020-2024 CIP and Plan of Finance
- Public Hearing and Budget Resolutions
- NWSA – POT 2020 Inter-Local Agreements

2020-2024 Ending Cash



- 2020 Beginning cash of \$218M
- Requires no borrowing through 2024
- 2024 does not include \$25M retirement of Commercial Paper

2020 Tax Levy



	2019 Forecast	2020 Budget
Assessed Valuation*	\$114,163,258,951	\$126,096,129,224
Target Millage Rate (per \$1,000 valuation)	\$0.18365	\$0.18365
Total Port Tax Levy **	\$20,938,250	\$23,157,554
Debt Service on G.O. Bonds	\$10,046,522	\$10,046,636
Remainder for Governmental Projects	\$10,891,728	\$13,110,918

* 2020 Preliminary assess valuations as of September 2019

** Based on 2019 preliminary valuations and targeted millage rate

Port Millage Rate for Single Family Residences



Revaluation for Next Year Levy	2017	2018	2019
Avg. Assessed Value	\$ 322,315	\$ 347,703	\$ 373,347
Port Millage Rate (per \$1,000)	0.18365	0.18365	0.18365
Annual Tax Levy	\$ 59.19	\$ 63.86	\$ 68.57
Monthly Tax Levy	\$ 4.93	\$ 5.32	\$ 5.71
Tax Levy if at Maximum Rate	\$ 86.53	\$ 85.51	\$ 81.72
Monthly Tax Levy at Max Rate	\$ 7.21	\$ 7.13	\$ 6.81

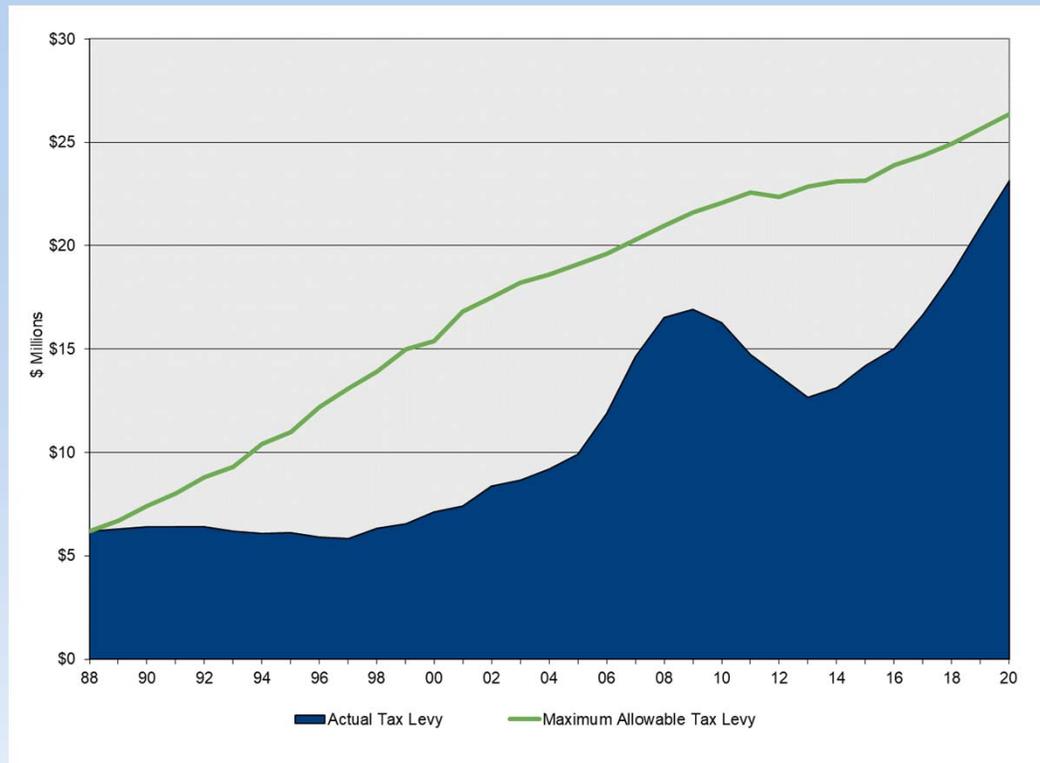
Tax Levy Eligible Projects

(\$ millions)



Description	2020 Budget
Environmental Monitoring & Remediation	\$6.2
Potential Land Acquisitions	\$5.0
Thorne Rd Stormwater & CY Design	\$1.7
Road contribution	\$0.3
Technology	\$1.7
Roadway infrastructure funding	\$1.0
Others	\$12.5
Total	\$28.4

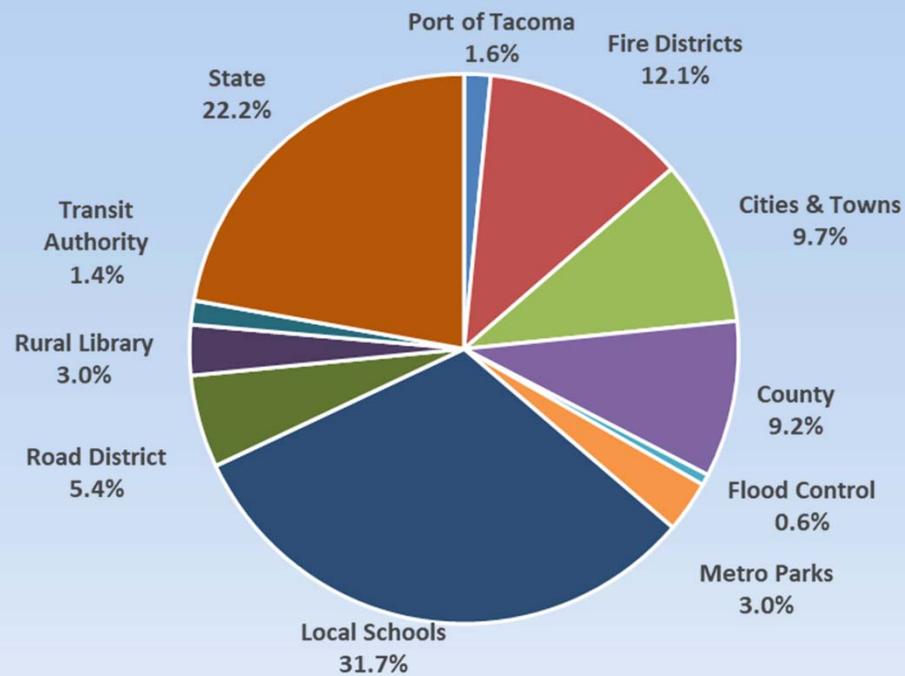
Tax Levy history



* 2020 Preliminary assess valuations as of September 2019

** Based on 2020 preliminary valuations and targeted millage rate

2018 Tax Levies by Taxing District



Source: Pierce County Assessor

2020 Budget

2020 Key Assumptions



- Revenues are based on NWSA, POT real estate and other POT businesses.
 - Split NWSA Distributable Income (Net Income) 50/50
 - Real Estate and Bulk based on existing leases and cargo forecast
 - Intermodal revenue based on industrial rail traffic

2020 Operating Budget

(\$ millions)



(\$ millions)	2018 Actual	2019 budget	2019 Forecast	2020 Budget
Operating Revenues				
NWSA	\$56.0	\$43.9	\$49.8	\$41.9
Container	2.9	3.4	3.0	3.2
Non Container	1.5	3.0	3.4	2.6
Real Estate	19.2	18.5	20.5	12.3
Other	0.0	0.2	0.1	0.0
Total Operating Revenues	79.6	69.1	76.8	60.1
Direct Expenses				
Container	2.7	3.6	2.6	2.7
Non Container	0.3	1.1	0.4	0.2
Real Estate	3.4	4.6	4.2	6.1
Other	5.1	3.7	1.6	2.9
Total Direct Expenses	11.5	13.0	8.8	12.0
Administration	3.4	3.5	3.9	5.0
Security	0.4	0.3	0.4	0.4
Environmental	2.3	4.0	(3.6)	4.3
Total Operating Expense before Depreciation	17.7	20.7	9.4	21.7
Depreciation	26.9	28.1	26.8	26.9
Total Operating Expense	44.6	48.8	36.2	48.7
Operating Income	\$35.0	\$20.3	\$40.5	\$11.4
<i>Return on Revenue</i>	44.0%	29.4%	52.8%	19.0%
Non Operating Income (Expense)	(8.8)	(14.2)	(7.4)	(8.6)
Income before Tax Levy and Expense	26.2	6.1	33.1	2.8
Ad Valorem Tax Levy	18.6	20.9	20.9	23.1
GO Interest	(4.9)	(4.8)	(4.8)	(4.7)
Net Tax Levy	\$13.7	\$16.1	\$16.1	\$18.4
Net Income Before Special Item	\$39.8	\$22.2	\$49.2	\$21.3
Special Item			(22.0)	
Net Income	\$39.8	\$22.2	\$27.2	\$21.3

2020 Memberships over \$10k



Memberships	2019 Budget	2020 budget	Comments
Washington Public Ports Association	\$210,000	\$215,000	
Puget Sound Regional Council	50,000	51,000	
Tacoma Pierce County Chamber	25,000	25,000	
Executive Council for a Greater Tacoma	14,000	0	Not this year
All other membership under \$10,000	57,449	30,206	
Total Contracts	\$356,449	\$321,260	

- Other Port memberships all less than \$10,000 per year.
- Membership costs subject to small variations based on fees tied to 2019 actual results
- POT Master policy requires POT Commission approval of all memberships over \$10,000
- POT finance reports all membership spending on a quarterly basis

Promotional Hosting



RCW 53.36.120 & 130 requires that Port expenditures for Industrial Development, Trade Promotion, and Promotional hosting be specific budgeted items

Promotional hosting is “Furnishing customary meals, refreshments, lodging, transportation or any combination of those items in connection with: Business meetings, social gatherings, and ceremonies honoring persons or events relating to the authorized business promotion activities of the port”

Promotional Hosting



Organization	2019	2020
POT Promotional Hosting	\$77,000	\$69,000
50% of NWSA Promotional Hosting	103,000	101,000
Total Promotional Hosting	\$180,000	\$170,000

2020 CIP Budget – Capitalized Projects

(\$ millions)



Project Name	2020 Budget
Admin Bldg Design & Construction	\$ 9,000
Land Acquisitions	5,000
POT Unallocated Capital Improvements (placeholder)	3,000
EBC Bldg 9532 Siding Replacement & Enclosure	2,300
Thorne Rd Stormwater & CY Design	1,704
Palo Alto Firewall Replacement (2020 only)	672
Lower Wapato Creek Combined Habitat (parcel 14)	500
Marc Street Improvements	443
Arkema Manufacturing Area Investigation (parcel 99)	430
Maximo Enhancements (mobile & inventory)	377
Parcel 91 Cleanup Investigation	358
Vehicle Purchases - All Departments (2020 only)	350
Maintenance Backup Generator	302
Fiber Lot F to T4 Admin Bldg (PSGP2018)	295

2020 CIP Budget – Capitalized Projects (cont.)

(\$ millions)



Project Name	2020 Budget
EBC Bldg 9532 Lighting Upgrade	278
Key Control & Management System	250
Spreader Bay Doors	239
2306 E 11th St Bldg Demolition (Fastco)	238
PQ Discharge Investigation (parcel 114)	220
UCC Parcel 129 Habitat Design	200
Hi Rail Truck	175
Bucket Truck Replacement	125
Track Greasers	120
Parcel 103 (Steam Plant) Site Investigation	120
Server Equipment Replacements (placeholder) (2020 only)	100
Equipment Mnt Equipment Purchases (placeholder)	99
Maximo Mobile Devices	64
EBC Bldg 9532 & 9407 Fire Panel Replacement	40
Parcel 14 Grading & Site Stabilization Design	2
Total 2020 Capitalized Projects	\$ 27,001

\$27M as shown in Statutory Budget

2020 CIP Budget – Expensed Projects

(\$ millions)



Project Name	Total
Parcel 1b (EBC) Remediation Design & Construction	\$ 1,640
POT Unanticipated Repairs/Misc Expenses (placeholder)	1,500
Roadway Infrastructure Funding (placeholder)	1,000
1110 Alexander Ave Warehouse Bldg Demo	1,000
Tideflats Subarea Plan (amt's shown in 2020 are for cash, already recorded exp)	500
2220 11th St Bldg Demolition	484
POT Municipal Stormwater Permit Program (MS4)	459
1701 POT Rd Roof Repair	446
2338 E 11th St Bldg Demolition (Mini Storage & Schilling Graphics)	378
3502 Lincoln Ave Bldg Demolition	332
IT Service Desk Tracking Software	300
Waterway Park Contribution	250
Maytown Operating Oversight	230
Parcel 2 Petroleum Investigation	163
POT Environmental Sustainability Initiatives	160
Stewardship & Public Outreach (all sites)	150
Head of Hylebos Cleanup (Arkema)	150
Asset Management	150
Potential Property Acquisition Environmental Due Diligence	150
Parcel 1b (EBC) Remediation Cost Recovery	140
Environmental Analysis for Potential Port Development	120
Upper Clear Creek Mitigation Bank	100
Portac Environmental Cap Repair (parcel 15) placeholder	100
44 small projects each less than \$100k	1,634
Total 2020 Expensed Projects	\$11,536

Outside the Fence Infrastructure



- The 2020-2024 POT Capitalized projects of the POT CIP includes \$7.8M in 2021 and \$7.8M in 2022 for a total of \$15.6M for long rail tracks needed primarily for NWSA intermodal customers.
- Article III, section 3.1 (a) and (b) each refer to schedule 2 which lists the licensed properties. Rail infrastructure not listed on schedule 2 has not been licensed to the NWSA and remains the responsibility of the homeport.
- Staff has relied on this schedule to determine where capital investments should be budgeted (homeport vs NWSA).

Outside the Fence Infrastructure



- The charter does not prevent the NWSA for authorizing post formation improvements to infrastructure that is not licensed to the NWSA. However, the NWSA would own the improvements.
- Other alternatives discussed by staff are for the homeports to seek out funding support from the NWSA (similar to fast corridor funding) for infrastructure projects that support the business activities licensed to the NWSA.

2020 Statutory Cash Budget



(\$ Million)	2020
Beginning Cash & Investments	\$218.2
<u>Projected Sources of Funds</u>	
Revenues	60.1
Expenses	(21.2)
Memberships	(0.3)
Promotional hosting POT	(0.1)
Promotional hosting NWSA (POT share)	(0.1)
Funds Provided by Operations	38.4
Interest Income	12.1
NWSA Depreciation cash	7.7
Other, Net	0.5
Other Contributions	5.5
Ad valorem tax revenue (net)	23.1
Projected Sources of Funds	87.3
<u>Projected Uses of Funds</u>	
Investment in Northwest Seaport Alliance	62.0
Debt Payments (Principal and Interest) - GO Bonds	10.0
Debt Payments (Principal and Interest) - Revenue Bonds	30.2
Debt Payments (Principal and Interest) - Commercial Paper	0.4
Capital Spending - Planned Projects	27.0
Projected Uses of Funds	129.7
<u>Projected Borrowing</u>	
Commercial Paper Borrowing	0.0
Total Borrowing	0.0
Projected Ending Cash & Investments	\$175.8

Six Year Planned CIP 2019 - 2024 (Total View)



<i>\$ Million</i>	2019	2020 - 2024					
POT Only	Forecast	2020	2021	2022	2023	2024	Totals
Capitalized	\$17.0	\$27.0	\$25.4	\$13.0	\$11.5	\$51.4	\$128.3
Operating Expense	4.7	9.2	7.8	7.6	4.8	7.2	36.6
Non-Operating Expense	0.7	2.4	1.9	1.4	1.3	23.4	30.3
Grand Total - POT Only	\$22.5	\$38.5	\$35.1	\$21.9	\$17.7	\$82.0	\$195.2

<i>\$ Million</i>	2019	2020 - 2024					
POT + 50% NWSA	Forecast	2020	2021	2022	2023	2024	Totals
Capitalized	\$76.3	\$89.0	\$78.6	\$48.7	\$30.4	\$65.9	\$312.6
Operating Expense	9.9	16.1	18.8	11.3	8.5	10.9	65.5
Non-Operating Expense	2.0	5.7	5.1	2.0	1.3	23.4	37.5
Grand Total: POT & 50% NWSA	\$88.2	\$110.8	\$102.4	\$61.9	\$40.2	\$100.2	\$415.6

Note: May not foot due to rounding

Capitalized:

- Assets that depreciate over time
- Non-depreciating land purchases

Operating/Non-operating expense

- Included in the budget as spending

2020-2024 Plan of Finance



<i>\$ millions</i>	2018 Actual	2019 Forecast	2020 Budget	2021 Budget	2022 Budget	2023 Budget	2024 Budget
Port Revenue	\$23.6	\$27.0	\$18.2	\$18.1	\$20.0	\$21.2	\$18.8
Joint Venture Revenue	56.0	49.8	41.9	35.4	45.8	48.2	51.4
Operating Revenue	79.6	76.8	60.1	53.6	65.8	69.5	70.2
Total Operating Expenses	44.6	36.2	48.7	48.4	47.5	43.5	43.4
Operating Income	35.0	40.5	11.4	5.1	18.3	25.9	26.8
<i>Return on Revenue</i>	44.0%	52.8%	19.0%	9.5%	27.8%	37.4%	38.2%
Non Operating Income (Expense)	(8.8)	(7.4)	(8.6)	(8.6)	(7.4)	(7.9)	(6.4)
Income Before Tax Levy & Expenses	26.2	33.1	2.8	(3.5)	10.8	18.0	20.4
Ad Valorem Tax Levy	18.6	20.9	23.1	23.5	23.9	24.6	25.3
GO Interest	(4.9)	(4.8)	(4.7)	(4.5)	(4.3)	(4.1)	(3.9)
Net Income Before Special Item	\$39.8	\$49.2	\$21.3	\$15.5	\$30.4	\$38.5	\$41.8
Special Item	0.0	(22.0)	0.0	0.0	0.0	0.0	0.0
Net Income	\$39.8	\$27.2	\$21.3	\$15.5	\$30.4	\$38.5	\$41.8
Debt Service Coverage Ratio	2.6	3.0	2.0	1.9	2.4	2.6	2.7
Return on Assets	6.8%	3.5%	1.5%	1.1%	2.1%	2.7%	2.8%

Debt: Outstanding & Projected Principal



(\$ millions)

	Balance 12/31/2019	2020 Issues	2020 Repayments	Balance 12/31/2020
G.O.Bonds	\$146.3		(\$4.2)	\$142.1
Senior Revenue Bonds	203.4		(7.6)	195.8
Subordinate Revenue Bonds	222.5		(3.1)	219.4
Commercial Paper	25.0			25.0
Total	\$597.3	\$0.0	(\$14.8)	\$582.4

Under \$600 Million in debt!

Public Hearing

Resolution No. 2019-13-PT

- Consider Resolution 2019-13-PT to direct the Secretary to certify to the Clerk of the County Council of Pierce County, Washington, tax levy of \$23,157,554 for the year 2020

Resolution No. 2019-14-PT

- Consider Resolution 2019-14-PT addressing the tax levy requirements pursuant to RCW 84.55.120 and RCW 84.55.092; and preserving the opportunity for future increase in the limit factor for maximum levy capacity pursuant to RCW 84.55.0101

Resolution No. 2019-12-PT

- Consider Resolution 2019-12-PT adopting a budget for the Port of Tacoma for the year 2020

2020 Inter-Local Agreements



- Continuing Inter-Local Agreement for support services
- Affirms the expected level of services and associated costs among the Homeports and NWSA
- NWSA CEO will approve the ILA's for the NWSA
- POT Commission President or Executive Director is asked to approve the ILA's for POT
 - Prior to this year John Wolfe could not be signer of both allocator and "allocatee." Should Eric Johnson sign ILA for POT this year?
- Request Commission approval of the Inter-Local Agreements for support services with The NWSA.