

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

COMMISSIONERS PRESENT

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

STAFF PRESENT

1. John Wolfe, Chief Executive Officer
2. Carolyn Lake, Port Counsel
3. Judi Doremus, Executive Assistant

11:00 AM: SPECIAL COMMISSION MEETING

1. CALL TO ORDER:

Commissioner Meyer called the Special Work Session to order at 11:06 am and a flag salute was performed.

2. PUBLIC COMMENT: None

3. AGENDA:

A. TRANSITION DISCUSSION:

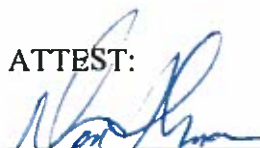
1. Homeport functionality in The Northwest Seaport Alliance (NWSA) Charter: Statutory requirements of a homeport were discussed. Mandatory requirements include audit activity and establishing an annual statutory budget.
2. Environmental responsibility was discussed. Legacy environmental contamination is a homeport issue.
3. Dispute resolution was discussed.
4. Compliance activities for homeports were reviewed.
5. Preserving debt service ratio, bond covenance and cash flow were discussed.
6. Valuation of licensed properties – based on a 10-year steady state cash flow. Valuation and modifications will be addressed next year.
7. Functional structure Alternative 3 was discussed to include the responsibilities of the new Port of Tacoma leader.
8. Challenges were reviewed in terms of role clarity when homeports manage businesses that are part of the cargo supply chain.
9. Reviewed challenges of weighing financial opportunities for the Port of Tacoma versus the NWSA and leasing functions versus the business relationship functions.
10. The homeport Port of Tacoma is not contemplating putting more assets into the NWSA. If a homeport property is part of the supply chain, it could be managed by the NWSA without it being licensed to the NWSA. No change to licensed properties is being recommended.
11. Employee functions and the definition of “support functions” were defined. The Port of Tacoma would purchase the management and oversight of certain support functions from the NWSA through a service agreement, ie. human resources recruiting. Management responsibility and control issues were discussed.
12. The relationship with our labor groups was discussed in relation to Alternatives #2 (employee management with the homeport) and #3 (employee management with the NWSA).
13. The importance of public input in this transition was emphasized by Commissioner McCarthy.
14. Commissioner Meyer suggests that we add a Transition Update to the regular Port of Tacoma meetings to include an updated timeline. The transition decisions need to be final by December, 2018.
15. The search for a new Port of Tacoma Executive Director timeline was discussed. It is anticipated to take approximately one year.

4. COMMISSIONER COMMENT: None

5. ADJOURNMENT:

There being no further business, President Meyer adjourned the meeting at 12:55 pm.

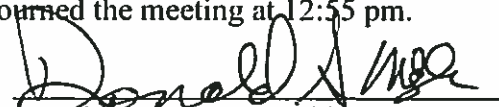
ATTEST:



Don Johnson, Secretary
Port of Tacoma Commission



Judi Doremus, Acting Clerk of the Port
Port of Tacoma



Donald G. Meyer, President
Port of Tacoma Commission