

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

COMMISSIONERS PRESENT

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

STAFF PRESENT

John Wolfe, Chief Executive Officer
Carolyn Lake, Port Counsel
Erin Galeno, Chief Financial & Administrative Officer
Juliet Campbell, Clerk of the Port

11:15 AM: SPECIAL EXECUTIVE SESSION:

1. CALL TO ORDER:

Commissioner Meyer called the Special Executive Session to order at 11:15 a.m. recessed into Executive Session for approximately 45 minutes.

2. RECESS INTO EXECUTIVE SESSION:

A. One litigation/potential litigation item pursuant to RCW 42.30.110(1)(i).

No decisions were made and no votes were taken.

12:00 NOON: SPECIAL COMMISSION MEETING:

1. RETURN TO ORDER:

Commissioner Meyer reconvened the Special Commission Meeting at 12:08 p.m. and opened the Public Hearing.

2. PUBLIC HEARING:

Erin Galeno, CFAO provided a presentation on the future management structure bringing the Commission and public up to date on the actions toward the potential adoption of Resolution 2018-05-PT, addressing the future management structure of the Port of Tacoma, and the proposed Interlocal Agreement (ILA) between the Port of Tacoma and The Northwest Seaport Alliance (NWSA).

The alternatives considered included i. a stand-alone organization for the NWSA and the homeports, ii. separate executive leadership with support services maximized from the homeports, iii. separate leader for the Port of Tacoma with NWSA executive leadership managing the support services from the Port of Tacoma. The 3rd alternative was selected and the proposed Resolution and ILA presented work in tandem to support that structure.

A list of materials that have been provided to the Commission and to the public was provided. The materials are available on the public website.

Commissioner Meyer highlighted certain edits made to the Resolution that was previously provided. The edits further refine the Port of Tacoma position and the role of the future Port of Tacoma leader. Staff has checked that none of the edits conflict with the language of the ILA proposed today nor with the NWSA resolution passed earlier this week. The copy of the revised Resolution was provided.

Commissioner Meyer called for public comment. Hearing none, Commissioner Meyer moved from the Public Hearing to the Action Agenda.

3. ACTION AGENDA:

A. Port of Tacoma Future Management Structure

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

“Adopt Resolution 2018-05-PT, addressing the future management structure including as redlined and with the additional edit adding the word “that” to the third bullet.”

Discussion Included:

1. Commissioner McCarthy stated the following opinions in opposition to the action:

- It expands the power of the NWSA beyond what is necessary and in the best interest of the Port of Tacoma
- It turns over all the Port of Tacoma employees to the direct supervision of the NWSA and creates legal liability to the Port of Tacoma for management decisions of an organization it doesn't control.
- Dilutes the power of the Port of Tacoma Commission to make decisions regarding Port assets.
- In essence, it merges the Port of Tacoma with the NWSA with all the employees of the Port of Tacoma under supervision of the NWSA, except the new POT executive director, while giving no supervisory authority to the NWSA over any Port of Seattle employees that may provide support to the NWSA.
- It does not need to be done at this time.

2. Commissioner Johnson responded stating that this process has been ongoing for five years. He also stated that the purpose of creating the alliance, from his perspective, was to preserve capital and focus on the true competitor (Canada), not the Port of Seattle. The alliance has allowed preservation of capital and significant investment in T3 and T4. The proposed structure allows the Port of Tacoma to seek a new leader to focus on developing the approximately 1000 acres outside of the alliance that need to be developed.
3. Commissioner Marzano reflected on where the Port of Tacoma might be had the alliance not been formed, noting investments made in T4 and the signing of a longer-term lease with an existing customer that will bring more jobs to the area. The proposed structure allows the individual charged in running the workforce, control over that workforce.
4. Commissioner Petrich the proposed structure ensures the integrity of the logistics chain so we can improve and grow the maritime business in both the North and South harbors. The proposed resolution provides clarity and the ability to search for a new Port of Tacoma leader to focus on the non-licensed properties and the economic development opportunities available through the Port of Tacoma and its status and powers of a Port. She noted many will be pleased to see diversification of investment.
5. Commissioner Meyer noted he supports the idea of coordinated investment decisions, but that in his opinion, the proposed resolution reaches too far toward a merger in terms of the management of Port of Tacoma staff.

VOTE:

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

MOTION CARRIES: 3-2

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

"Approve the Management Services Interlocal Agreement between the Port of Tacoma and the Northwest Seaport Alliance."

Discussion Included:

1. The ILA provides clarity that the Port of Tacoma staff who support the NWSA will be managed on a day-to-day basis by the NWSA leadership.
2. This ILA does not address the cost. The costs are driven through the annual budgeting cycle with the Interlocal Agreement around the service directives.

VOTE:

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

MOTION CARRIES: 3-2

4. ADJOURNMENT: Commissioner Meyer adjourned the meeting at 12:35 p.m. and immediately reconvened and briefing addressed next steps toward finding the Port of Tacoma leader including moving forward with a draft RFP for a head hunter, and assistance with a job description. There being no further business, Commissioner Meyer adjourned the meeting at 12:38 p.m.

Donald G. Meyer, President
 Port of Tacoma Commission

ATTEST:

Donald C. Johnson, Secretary
 Port of Tacoma Commission

Juliet Campbell, Clerk of the Port of Tacoma
 Port of Tacoma