

COMMISSION AGENDA

Item No: 5A

Meeting: 08/16/18

DATE: Agenda Meeting Date

TO: Port Commission

FROM: John Wolfe, Chief Executive Officer
Project Manager: Erin Galeno, Chief Financial and Administrative Officer

SUBJECT: BRIEFING: PORT OF TACOMA FUTURE MANAGEMENT STRUCTURE

A. BRIEFING:

This briefing is intended to provide an update to the progress towards defining a future organization structure of the Port of Tacoma including a review of draft Resolution Number 2018-05, which defines the future management structure.

B. BACKKGROUND

The charter contemplated the need for a temporary period of duality, whereby the NWSA CEO may also serve as the Port of Tacoma CEO for a period of five years commencing August 4, 2015 ("Transition Period").

The Port of Tacoma commission has held multiple public work sessions during 2018 to discuss the future management structure and leader for the Port of Tacoma.

The Commission evaluated three different alternatives:

1. Stand-alone organizations for the NWSA and the homeports.
 - a. This alternative was eliminated due to the significant costs associated with developing separate information technology and increased staffing.
2. Separate Executive Leadership with support services maximized from the homeports.
 - a. This alternative was discussed extensively and ultimately determined to create additional staffing costs beyond the 3rd alternative and limited direct management oversight for work being performed on behalf of the NWSA.
3. Separate Leader for the Port of Tacoma with NWSA Executive leadership managing the support services from the Port of Tacoma.
 - a. This alternative was selected as the most cost-effective solution while providing separation at the leader level for the NWSA and POT.

- b. An estimated 70% of the total costs of the POT support services are on behalf of the NWSA. This alternative formalizes NWSA direct management oversight for these services.

C. SCOPE OF WORK

The scope of this briefing includes the future management structure and leadership role for the Port of Tacoma.

D. FINANCIAL SUMMARY

There are no direct financial implications associated with this briefing. It is anticipated that there will be some one-time costs associated with hiring a Port of Tacoma leader and increased staffing costs once the leader joins the Port.

E. NEXT STEPS

Identify next steps or actions associated with the request or project.