

Exh. MM-16
Docket TP-220513
Witness: Michael Moore

**BEFORE THE STATE OF WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,

Complainant,

v.

PUGET SOUND PILOTS,

Respondent.

Docket No. TP-220513

**EXHIBIT TO TESTIMONY OF
Captain Michael Moore
ON BEHALF OF
PACIFIC MERCHANT SHIPPING ASSOCIATION**

PSP-Tabler Employment Agreement

FEBRUARY 10, 2023

EMPLOYMENT AGREEMENT

Agreement made between Walter S. Tabler ("Employee"), and Puget Sound Pilots (PSP) and its successors, ("Employer").

RECITALS

1. Employer is a voluntary, unincorporated association of pilots licensed by the state of Washington to pilot vessels in the Puget Sound Pilotage District.
2. Employee is employed by Employer as its Executive Director and General Counsel.

In consideration of the mutual promises and agreements set forth herein, Employer and Employee agree as flows:

SECTION ONE EMPLOYMENT

Employer hereby employs, engages, and hires Employee as its Executive Director and General Counsel with the following duties and responsibilities:

I. **Management responsibilities**

- A. Supervise and direct day to day operations of Seattle and Port Angeles stations, as directed by the President and Board of Directors.
- B. Human resources: Supervise and direct day to day operations and management of personnel, as directed by the Board of Directors.
 1. Research, identify, and design methods to enhance office policies and practices.
 2. Identify specific task areas and delegate appropriate staff to accomplish the assignment.
 3. Define and maintain staffing requirements and develop specific job descriptions and work schedules.
 4. Develop and maintain procedures for effectively evaluating employee performance.
 5. Coordinate activities necessary to maintain efficiency of Seattle and Port Angeles facilities.
 6. Maintain computerized information services in accordance with Management guidelines.
 7. Dispatching

- a. Act as ombudsman for Dispatchers in bringing operational concerns to the attention of Management.
8. Accounts Receivable
 - a. Develop credit policies in order to minimize uncollectible or bad debts.
 - b. Monitor cash flow to ensure timely collection of receivables.
 - c. Ensure accuracy of and compliance with regulatory reporting requirements.
9. Accounts Payable
 - a. Provide oversight and guidance for management of general ledger allocations and accounts.
 - b. Ensure accuracy of financial recording and reporting.
 - c. Develop and maintain security procedures necessary to safeguard assets.
10. Boatmen/Deckhands
 - a. Coordinate activities and performance requirements with pilot station and pilot boat managers.
 - b. Maintain cooperation and communication with Seattle office and dispatching and accounting staff.

II. **Collective bargaining**

- A. Prepare necessary date and participate in IBU labor negotiations.
- B. Administrate applicable labor agreements, including communicating with Union representatives to settle grievances.

III. **Budget**

- A. Prepare and control budget through liaison with accountants to ensure proper fiscal management, including control of service contracts and other expenditures, thereby enhancing prospects for increasing net income.
- B. Prepare, coordinate and analyze annual and long range business plans, including capital acquisitions.
- C. Devise and implement procedures and organizational changes resulting in increased revenues or efficiencies.
- D. Develop and manage a functional operating budget by requiring accountability at all staff levels within the organization.
- E. Evaluate and make comparative analysis of vendor offers including recommending and selecting vendors, and negotiating contracts.
- F. Investigate, recommend and negotiate short and long term financing.
- G. Work with staff, independent auditors and state auditors to provide information and explain procedures and results.

H. Analyze, recommend and negotiate risk management alternatives.

IV. **Financial reporting**

- A. Regular reporting of financial status, vessel activity, and other operational matters to the President, Board of Directors and membership.
- B. Provide periodic analysis of revenue, expenses, and income.
- C. Provide periodic analysis of project costs as required.
- D. Develop agenda and support documentation for regular and special meetings.

V. **Tariff setting**

- A. Provide support and research for Rate Committee negotiations with steamship operators. Participate in negotiations, as directed.
- B. Present data and testify before the Washington State Board of Pilotage Commissioners on rate increase needs and requirements, as directed.

VI. **Communications with steamship operators**

- A. Maintain communication with steamship operators to enhance the working relationship between the operators and pilots. Immediately report to the President any dispute between steamship operators and PSP and further assist the President, when requested, in resolving the dispute.
- B. Analyze steamship operator requirements and assist in averting problem areas through planning, proposing, and implementing alternative methods.
- C. Resolve billing inquiries and claims in an equitable manner consistent with regulatory constraints and PSP policy.
- D. Establish and maintain communications with maritime industry representatives.

VII. **Public meetings**

- A. At the request of the President, attend public meetings of the Washington State Board of Pilotage Commissioners.
- B. Maintain an awareness of state and federal regulatory procedures and provide technical support to the President or other pilot members.
- C. Coordinate with the President attendance of PSP representatives at public meetings, such as, but not limited to, U.S. Coast Guard hearings and Port negotiations.

VIII. Legislation

- A. At the request of the President, assist legislative lobbyist in regulatory matters under discussion during Legislative sessions.

IX. Special reports/studies

- A. Supervise preparation of special reports or studies relating to planning or development of operational guidelines.
- B. Gather, analyze and evaluate market information to develop strategies and target specific customer segments.
- C. Identify problems areas and develop proposed solutions for Management consideration.
- D. Develop and craft policies, policy statements, letters, and memorandums representing the position of PSP, as directed.
- E. Participate in and coordinate activities of various Committees, as directed.

X. Legal

- A. Provide legal counsel and representation, when requested by the President.
- B. Communicate with outside counsel when circumstances dictate and when requested by the President.
- C. Providing legal counsel and/or representation to individual members of the Employer is expressly prohibited by this Agreement.

Employee hereby accepts and agrees to such hiring, engagement, and employment, subject to the general supervision and pursuant to the orders, advice and direction of the President and Board of Directors. Employee shall also render such other and unrelated services and duties as may be assigned to him from time to time by Employer.

**SECTION TWO
BEST EFFORTS OF EMPLOYEE**

Employee agrees that he will attempt at all times to faithfully, industriously, and to the best of his ability, experience and talents, perform all of the duties that may be required of and from him, to the reasonable satisfaction of Employer.

SECTION THREE TERM

Employee's status as an employee commenced on October 1, 2003. Employee's actual performance of services under this contract shall commence May 1, 2007 ("Work commencement Date"). The employment relationship created by the agreement shall be for the thirty-six (36) months after May 1, 2007. In the event of any violation by the Employee of any of the terms of this contract, Employer thereupon may terminate without notice. If the Employer shall so terminate this agreement, Employee shall be entitled to compensation for 30 days. Any intent to propose to change, modify or renegotiate any section of the contract shall be preceded by written notification, by either party, at least ninety (90) days prior to the annual review. This agreement may be terminated by mutual agreement of the parties at any time.

The performance of the Employee will generally be reviewed and evaluated by the Employer annually, on or about October 1st, the result of which shall be conveyed to and discussed with the Employee. This agreement shall automatically be extended for one (1) year at the scheduled time of each annual review, unless written notice is given within thirty (30) days of such review declaring an unwillingness of either party to such an extension. (Example: If, after completion of the first year, neither party takes action to nullify the automatic extension mentioned above, the term of the Agreement shall be extended by one (1) year to the three (3) year term. If, however, after completion of the first year, either party declares it does not wish to automatically extend the Agreement, the remaining term will be two (2) years.)

SECTION FOUR COMPENSATION

Starting on the Work Commencement Date, Employer shall pay Employee and Employee shall accept from Employer, in payment for Employee's services as Employer's Executive Director and General Counsel, gross compensation which shall be calculated and adjusted monthly by dividing the Total of "distribution earnings" and "cash reserves (expense)," as shown on the monthly Pilots Distribution report, for the preceding calendar month by the actual number of active Pilots; the resultant amount shall then be multiplied by ninety-one percent (91.00%) to define the monthly gross compensation, which includes salary and Employer's pension contribution pursuant to Section Eight of this Agreement. This calculation shall be made prior to December 31, 2003 and so calculated monthly thereafter.

Salary shall be the remainder amount after deducting Employer's pension contribution and is payable on the last working day of each month. Employer shall also provide to Employee: 1) family accident and health insurance (except to the extent coverage is available to Employee's dependents pursuant to other, employer provided coverage); 2) disability insurance pursuant to Employee's existing policy; and 3) \$500,000 term life insurance (beneficiary to be designated by Employee). Employer shall reimburse Employee all reasonable, ordinary and necessary business expenses incurred by Employee as Executive Director and General Counsel. Employer shall pay disability insurance premiums to Employee as additional salary rather than directly to the insurance carrier. However, no disability payments shall be made to Employee for the months November 2007 through October 2008, and thereafter for the remainder of this agreement the amount of the disability payments shall be \$55 below the cost of the policies to cover the added cost of the Cash Balance Plan provided to Employee by Employer under Section 8 of this Agreement.

Employee will absorb the cost of travel within the Tacoma-Seattle-Everett corridor. Employee shall present expenses for travel beyond the Tacoma-Seattle-Everett corridor for reimbursement.

SECTION FIVE VACATION

Starting on the Work Commencement Date, Employee is entitled to a paid annual vacation of thirty (30) days or six (6) weeks during each calendar year, with pro-ration starting on the Work Commencement Date. No more than fifteen (15) days or three (3) weeks vacation may be taken at any one time without Employer's prior consent. Unless Employer agrees to a carryover of vacation, vacation time may not be accumulated, and must be taken in the year earned. Unused vacation is paid to Employee upon termination, minus any debt of any kind owed to Employer by Employee.

SECTION SIX HOLIDAYS

Employee shall be entitled each year to the following holidays: New Year's Day, President's Day, Memorial Day, Fourth of July, Labor Day, Veteran's Day (Nov. 11th), Thanksgiving Lay, Christmas Day, and an optional day of the Employee's own choosing.

SECTION SEVEN SICK LEAVE

Starting on the Work Commencement Date, Employee shall accrue ½ day (.5 days) of sick leave per month. Unused sick leave may be carried over from one year to another and may accrue to a maximum of ninety (90) days. Sick leave days are not to be used as personal days off. Employee is not compensated for unused accumulated sick leave upon termination.

Sick leave of up to three (3) days in any calendar year may be claimed and taken to attend the funeral of a member of the Employee's immediate family, which shall include the following: spouse, domestic partner, children, parent, parents-in-law, grandparent, brother, brother-in-law, sister, sister-in-law and grandchildren.

SECTION EIGHT RETIREMENT BENEFITS

As further consideration for Employee's services, Employer shall, within a reasonable time after execution of the agreement, provide the Employee the benefits of a qualified employee 401(k)/Profit Sharing Plan and Cash Balance Plan. All Employer and Employee contributions to these plans shall be deducted from Employee's Gross Compensation. In the event that Employer is required to make any contribution to such plans that is not deducted from Gross Compensation, Employee agrees to pay such sums back to Employer. Employer's obligation to create a Cash Balance Plan is conditioned upon Employer's Board of Directors approving an investment policy for any such plan.

Fringe benefits must remain in conformity with any changes in Federal or State statutes, even if it requires modification of the terms of this Agreement.

Employee is also eligible to receive retirement benefits comparable to those available to pilots under the Amended Retirement Program of Puget Sound Pilots as it may be modified or replaced including Surviving Spouse benefits. See, attached Exhibit A. Employee's Spousal benefits are subject to the same eligibility requirements that apply to pilots. Specifically, if the current plan remains in effect until Employee's retirement, Employee shall receive an annual pension, payable on a monthly basis, equal to 1.5% of Employee's years of service multiplied by the average of Employee's gross compensation (including Employee's and Employer's retirement contributions) over the three (3) years prior to the Retirement Date. Such average shall be the employee's "Retirement Base." Employee's eligibility for these benefits is dependent upon the benefits being available to a hypothetical pilot member of PSP with a hiring date of Oct 1,

2003 and a retirement date identical to that of Employee. ("Hypothetical Pilot") If, in the future, the Amended Retirement Program of Puget Sound Pilots is terminated, modified, or replaced as to the Hypothetical Pilot, those changes, to the benefit received by such pilot, shall also be made to Employee's benefits with one exception: if the new plan covering pilots uses pilot earnings to calculate a Retirement Base, the Employee's Retirement Base shall be calculated based on Employee's Gross Earnings rather than pilot earnings.

SECTION NINE OTHER EMPLOYMENT

Employee shall devote his time, attention, knowledge, and skills solely to the business and interest of Employer, and Employer shall be entitled to all the benefits, profits or other issues arising from or incident to all work, services, and advice of Employee, and Employee shall not, during the term hereof, participate in any business activity which conflicts with the best interest of the Employer.

SECTION TEN MODIFICATION OF AGREEMENT

No waiver or modification of this agreement or of any covenant, condition, or limitation herein contained shall be valid unless in writing and duly executed by both parties charged therewith and no evidence of any waiver or modification shall be offered or received in evidence of any proceeding, arbitration, or litigation between the parties hereto arising out of or affecting this agreement, or the rights or obligations of the parties hereunder, unless such waiver or modification is in writing, duly executed as aforesaid, and the parties further agree that the provisions of this section may not be waived except as herein set forth.

SECTION ELEVEN CHOICE OF LAW AND VENUE

It is the intention of the parties hereto that this agreement and the performance hereunder and all suits and special proceedings hereunder be construed in accordance with and pursuant to the laws of the State of Washington and that in any action, special proceeding, or other proceeding that may be brought arising out of, in connection with, or by reason of this agreement, the laws of the state of Washington shall be applicable and shall govern to the exclusion of the law of any other forum, without regard to the jurisdiction in which any action or special proceeding may be instituted. The prevailing party in any such action or special proceedings shall recover his or its reasonable attorney's fees and costs from the other, if so permitted by law. Venue shall be King County, Washington.

**SECTION TWELVE
COMPLETE AGREEMENT**

This agreement comprises the complete agreement concerning the employment arrangement between the parties and shall, as of the effective date hereof, supersede all other agreements between the parties. The parties stipulate that neither of them has made any representation with respect to the subject matter of this agreement or any representation including the execution and delivery hereof except such representations as are specifically set forth herein and each of the parties hereto acknowledges that he or it has relied on its own judgment in entering into this agreement.

IN WITNESS WHEREOF, the parties have signed this agreement at Seattle, Washington on *March 17*, 2008.

PUGET SOUND PILOTS

By:



Delmar G. Mackenzie, President
Employer



Walter S. Tabler, Executive Director
and General Counsel
Employee