

**MINUTES
REGULAR COMMISSION MEETING
THE PORT OF PORTLAND
December 10, 2008**

In response to due notice, the regular meeting of the Commissioners of the Port of Portland was held at 9:00 a.m. in the Commission Boardroom of the Port's administrative offices at 121 N.W. Everett Street.

QUORUM

Commissioners present were Judi Johansen, President, presiding; Peter Bragdon; Steve Corey; Diana Daggett; Mary Olson and Bill Thorndike. Also present were Bill Wyatt, Executive Director; participating staff members; and representatives of the public.

LEAVE OF ABSENCE

Commissioner Johansen called for a motion to grant a leave of absence to Commissioners Allen and Rosenbaum, as they were out of town, and to Commissioner Holte, as he was ill. Commissioner Thorndike moved to grant the leave of absence. Commissioner Olson seconded the motion, which was put to a voice vote. Commissioners Bragdon, Corey, Daggett, Johansen, Olson and Thorndike voted in favor of the motion.

MINUTES

Commissioner Johansen called for a motion to approve the minutes of the Regular Commission Meeting of November 12, 2008. Commissioner Olson moved to approve the minutes. Commissioner Daggett seconded the motion, which was put to a voice vote. Commissioners Bragdon, Corey, Daggett, Johansen, Olson and Thorndike voted in favor of the motion.

PUBLIC COMMENT

Jerry Ghiglieri, a resident of Lake Oswego, addressed the Commission and provided written information regarding the USS Ranger. Ms. Ghiglieri said having an aircraft carrier in Portland would have a phenomenal economic impact on the community. She said the USS Ranger would be a \$1 billion revenue stream for the State of Oregon. Ms. Ghiglieri highlighted the many benefits associated with having the USS Ranger in Portland and asked that the Commission consider the Foundation's request to locate the USS Ranger at a Port facility.

Commissioner Olson asked if the USS Ranger Museum Foundation had raised an endowment for the project. Ms. Ghiglieri said as soon as a site is located, many people will ensure that funds are available.

Commissioner Johansen thanked Ms. Ghiglieri for her comments and the information provided and said the Commission staff would follow up with her should they have any questions after reviewing the materials.

EXECUTIVE DIRECTOR'S REPORT

Bill Wyatt welcomed the new Port employees in the audience. Mr. Wyatt provided a brief recap of his trip to Asia. He attended the World Shipping Summit in Dalian, China, the first week of November. He said the visit was timely because he had an opportunity to see all of the major

ocean carriers and get their perspective on what is happening with the global economy. Mr. Wyatt said it is safe to say that all of the carriers are feeling the effects of the global economic slowdown. He said there are carriers in the business today who are relatively new in their role as major ocean carriers and who have not been through a significant downturn before, so we will carefully monitor how they manage through it. Mr. Wyatt said everybody is scaling back and reducing capacity.

Mr. Wyatt said the Terminal 6 concession project has been suspended, largely because of the rapid decline in the global economy. Mr. Wyatt said we were concerned about the value we would have seen had we proceeded, and he strongly believes we are much better off waiting. Mr. Wyatt said all of the work that has been done is extremely valuable to have and should the market improve, we will be in a much stronger position to move quickly.

Mr. Wyatt said the global economic slowdown has had an impact on Oregon and Portland, particularly in reductions in commercial flight activity. Passenger volumes have declined about 10 to 11 percent. Mr. Wyatt said that with the relatively low price of fuel, we can expect to see some aggressive fare actions, which could begin to stimulate additional travel. Mr. Wyatt said it is hard to see where things are headed, but in response to the impacts to all of our business lines, we have begun to tighten our belt. The directors have set a Port-wide target of reducing expenses by 6.5 percent. He said for now this is an adequate response for what we are currently facing, but inevitably we will experience unanticipated impacts from the global conditions and we are well positioned to respond.

Mr. Wyatt said K-Line has renewed their weekly train into Terminal 6 laden with both empty containers and export loads. Mr. Wyatt said this is additional revenue for us, but it also is very positive for Terminal 6 because having intermodal activity adds volume.

Mr. Wyatt said Colgate Palmolive is our first major international tenant in the Lombard project. He said they will be importing approximately one billion toothbrushes. Mr. Wyatt said this is all international cargo, which is what we were trying to encourage when we developed the Lombard property.

Mr. Wyatt said while auto sales and imports are down, auto storage is up and we are seeing an increased demand for additional land at Terminals 4 and 6. He said Honda, Hyundai and Toyota need more land to store vehicles that are not being sold.

Commissioner Johansen called for a motion to approve the Executive Director's Report. Commissioner Thorndike moved to approve the Executive Director's Report. Commissioner Olson seconded the motion, which was put to a voice vote. Commissioners Bragdon, Corey, Daggett, Johansen, Olson and Thorndike voted in favor of the motion.

GENERAL DISCUSSION

2009 Port of Portland Public Transportation Improvement Plan

Susie Lahsene, Transportation Program Manager, said the PTIP is a compilation of projects that improve access to our facilities, enhance our mission, and enhance customer competitiveness. Ms. Lahsene said this year's PTIP includes 86 surface transportation projects and 14 marine and aviation capital projects that may be eligible for ConnectOregon grant funding. Ms. Lahsene briefly discussed the Port transportation funding strategy for 2009. Ms. Lahsene also discussed the projects that were submitted for ConnectOregon III funding.

PUBLIC HEARING

Commissioner Johansen opened a public hearing for purposes of taking testimony on the 2009 Port of Portland Public Transportation Improvement Plan.

Hearing no comments, Commissioner Johansen closed the public hearing and noted that no action was required at this time. The PTIP will be back before the Commission for approval at the January 14, 2009, meeting.

Public Perception Study Results

Randy Fischer, research analyst, and Mike Riley of Riley Research, presented a brief overview of the results of the public perception study. The survey is conducted statewide every three to four years to assess what people know about the Port, how we are perceived and what issues are on their minds that relate to us. The survey is an important tool to gain a better understanding of the level of awareness so that we can better communicate with the public and be responsive in addressing issues that they raise as well as to measure our own progress against strategic planning goals.

Key findings from the study were as follows: 2008 produced an end to the rise of “uninformed/unaware” constituents; the Port’s importance to the economy is recognized by 93 percent of residents; residents sense that trade competition is increasing; and there is a broad misconception that the Port owns/operates more property along the waterfront than it does.

2009 State Legislative Agenda

Annette Price, State Affairs Manager, provided a brief summary of the 2007 State legislative agenda and discussed the political environment for the 2009 session. Ms. Price said key issues for the 2009 session will be the state budget, education funding, transportation and climate change legislation. Ms. Price discussed the Port’s proposed state legislative agenda for 2009, which includes: transportation funding for Columbia River Crossing and to improve access to PDX and Troutdale Industrial Park; Port security legislation; extending the property tax exemption for cargo containers; as well as environmental initiatives to search for green funding opportunities and establishing a Superfund Task Force to determine how best to educate the legislatures about what the financial need will be for public agencies under Superfund.

ACTION ITEMS

Agenda Item No. 1

COLLECTIVE BARGAINING AGREEMENT – AVIATION MAINTENANCE CONTRACT

This agenda item requested approval of a new three-year collective bargaining agreement between the Port of Portland and the District Council of Trade Unions Locals 48 and 483.

Commissioner Johansen declared a potential but not actual conflict as she is on the Kaiser Dental Board. She said she will participate in the discussion and vote.

Joe Esmonde, a business representative for IBEW Local 48, said given the economic climate, the contract is fair.

Cheryl Hettervig presented the Executive Director’s recommendations as follows:

BE IT RESOLVED, That approval is given to enter into a collective bargaining agreement with the District Council of Trade Unions, Locals 48 and 483, for a three-year agreement beginning July 1, 2008, setting forth wages, fringe benefits and working conditions for employees providing maintenance work at the Port of Portland’s International and General Aviation Airports, consistent with the terms presented to the Port of Portland Commission; and

BE IT FURTHER RESOLVED, That the Executive Director or his designee is authorized to execute the necessary documents on behalf of the Port of Portland Commission in a form approved by counsel.

Commissioner Thorndike moved that the Executive Director’s recommendations be approved. Commissioner Olson seconded the motion, which was put to a voice vote. Commissioners Bragdon, Corey, Daggett, Johansen, Olson and Thorndike voted in favor of the motion.

Agenda Item No. 2

CONTRACT – SECURITY GUARD SERVICES – PORTLAND INTERNATIONAL AIRPORT, SWAN ISLAND, RIVERGATE INDUSTRIAL PARK AND WEST HAYDEN ISLAND

This agenda item requested approval to award a security guard services contract to Hospital Shared Services, Inc., to protect and inspect various Port of Portland properties.

John Dean presented the Executive Director’s recommendations as follows:

BE IT RESOLVED, That approval is given to award a contract for security guard services at Portland International Airport, Swan Island, Rivergate Industrial Park and West Hayden Island to Hospital Shared Services, Inc., in accordance with its proposal; and

BE IT FURTHER RESOLVED, That the Executive Director or his designee is authorized to execute the necessary documents on behalf of the Port of Portland Commission in a form approved by counsel.

Commissioner Corey moved that the Executive Director’s recommendations be approved. Commissioner Olson seconded the motion, which was put to a voice vote. Commissioners Bragdon, Corey, Daggett, Johansen, Olson and Thorndike voted in favor of the motion.

The meeting adjourned at 10:35 a.m.

President

Assistant Secretary

Date Signed