

MINUTES
REGULAR COMMISSION MEETING
THE PORT OF PORTLAND
February 10, 2010

In response to due notice, the regular meeting of the Commissioners of the Port of Portland was held at 9:30 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; Ken Allen; Peter Bragdon; Jim Carter; Steve Corey; Bruce Holte; Mary Olson and Paul Rosenbaum. Also present were Bill Wyatt, Executive Director; participating staff members; and members of the public.

Commissioner Johansen welcomed the new Port of Portland employees in the audience.

LEAVE OF ABSENCE

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

MINUTES

Commissioner Johansen called for a motion to approve the minutes of the Regular Commission Meeting of January 13, 2010. Commissioner Carter moved to approve the minutes. Commissioner Holte seconded the motion, which was put to a voice vote. Commissioners Allen, Bragdon, Carter, Corey, Holte, Johansen, Olson and Rosenbaum voted in favor of the motion.

EXECUTIVE DIRECTOR'S REPORT

Bill Wyatt welcomed the new employees in the audience. He then addressed the Troutdale Reynolds Industrial Park (TRIP) project. He noted that the Port received the Certificate of Completion from the City of Troutdale for the TRIP Phase I construction. He said this is a milestone because when we initially considered acquiring the property, it was a Superfund site and Alcoa was basically preparing to leave it as-is. Mr. Wyatt said Alcoa deserves a lot of credit for their cleanup efforts because they spent much more money than was required of them for cleanup of the property. Mr. Wyatt said that the FedEx facility being constructed on the site will open later this year. He said that it will be a state-of-the-art distribution center for FedEx Ground and will be the largest employer in the City of Troutdale. Mr. Wyatt said it has been a pleasure to work with the City of Troutdale on this brownfield redevelopment.

Mr. Wyatt said Air Canada will start nonstop service between Portland and Toronto in June. He said this is exciting news because this is an important gateway and we are pleased to see the airline make this commitment. Mr. Wyatt said the airline industry may not be booming, but this is an indication that things may be turning around. He also said that Continental Airlines announced that they will begin seasonal service to Anchorage. He said they have some history with this service, which is probably focused on the cruise industry.

6

Mr. Wyatt said the Port kicked off an exciting PDX-wide customer service program. He said that we are known locally and nationally for having great customer service. The Port extended this program to other airport constituents, airline employees, Transportation Security Administration staff and concession employees, so that everyone has a common understanding of what customer service means.

Mr. Wyatt said we are making great progress on the second parking garage and the headquarters building (HQ). He said it is important to note the overall project costs for HQ will actually come in slightly under the projected costs. He said the Hoffman Construction Company contract is one of the elements of that cost, which is going up slightly. He said that when we began the project, we estimated what we thought the cost would be and he believes that we will beat that.

Mr. Wyatt acknowledged Maryhelen Kincaid, Chair of the Citizen Noise Advisory Committee (CNAC). He said CNAC has had a very busy and successful year and he thanked them for their hard work. He said this is a labor of love because it is tough work, and expressed the Port's appreciation of their commitment.

Mr. Wyatt said if he were describing the business scene at the Port, it is safe to say that last year was challenging but we are beginning to see some improvements in our business. He said it has been a tough year and he looks forward to the year ahead.

Commissioner Rosenbaum congratulated Port staff on receiving the Certificate of Completion for TRIP and asked that the Commission be briefed on development plans for Phase 2 and 3.

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

General Discussion

Citizen Noise Advisory Committee (CNAC) Update

Maryhelen Kincaid, CNAC Chair, said CNAC was formed in 1998 to advise the Port in regard to community noise impacts associated with aircraft and airport operations at PDX while considering the community's environment, health and quality of life. She said CNAC membership consists of 15 appointed representatives from around the region, both in Oregon and Washington.

Ms. Kincaid briefly discussed CNAC's role and charge. Ms. Kincaid presented the outreach highlights for 2009, which included attending over 50 neighborhood meetings and events reaching over 1,400 citizens. She also discussed CNAC's public involvement during 2009 and the projects they will be working on for 2010.

Ms. Kincaid said it was a very exciting year and they accomplished a lot, including building trust in the community. She said none of this would have been possible without the other CNAC members and Port staff. Ms. Kincaid recognized the CNAC members in the audience: Steve Kerman, Vice Chair and representative from Washington County; Mike Yee, representative from the City of Vancouver; and Kelly Sweeney, representative from the City of Portland. Ms. Kincaid also recognized Jason Schwartz, the Port's Noise Manager.

Commissioner Olson praised Ms. Kincaid's significant efforts on behalf of the community; based on her presentation, it is clear she spends an inordinate amount of time on behalf of the Port and the citizens in regards to this issue. Commissioner Olson said that in addition to all her work with CNAC, for the last 3+ years she has been on the Public Advisory Committee for the land use designation for the airport. She said that what Ms. Kincaid and her group bring to the table are the issues, and when there is an issue, they stand their ground and hold the Port accountable, to our benefit as well as the community's.

Safety Program Update

Vince Granato, CFO and Director of Finance and Administrative Services, presented an update of the Port's safety program. He said safety is a priority of the Port's strategic plan and is a part of the Port's culture. Mr. Granato said the Port is somewhat of a unique organization in the number of environments and conditions we work in. The common thread is that we have a dedicated safety staff that works to ensure we do the best we can within these environments. He said while the goal is to have zero injuries and incidents, some areas we work in are dangerous. Mr. Granato presented the Port's safety performance, including details of injuries that resulted in worker's compensation claims.

Andrea Marzette, Risk Manager, reviewed the strategies to improve safety performance. She said the directors and senior management will review the performance results monthly and will increase participation in safety activities, including safety committee meetings. She said they also plan to implement the Safety and Health Achievement Recognition Program (SHARP) Safety Management System at all Port locations. In addition, safety training and awareness will be improved through development of an e-learning course. Ms. Marzette said safety communication will also be enhanced through further development of a safety website and increased communication targeted towards employees without access to computers.

Ms. Marzette said the most effective safety management system is employee driven, so employee participation is key to the program. We want to encourage our employees to be actively involved in our safety efforts.

Mr. Wyatt said we must find a way to maintain a high level of awareness and urgency around the topic of safety. He said one of the changes he has implemented is that the directors will be notified via e-mail about every lost-time accident. He is requesting that each injured employee's supervisor attend the weekly directors' meeting to explain the incident. Mr. Wyatt said this is not designed to assign responsibility to the supervisor, but rather to drive down into the organization a sense of urgency. He said his experience has been that when you ask someone to attend a meeting to discuss a problem, the problem gets attention. He said we have the safety management framework in place, but we need to be sure everyone is always thinking about safety as a priority.

Commissioner Johansen said the most important thing is to keep our employees safe and it starts at the Commission level. She stressed the importance of safety and said safety should always be part of the consciousness and culture of the organization.

8

ACTION ITEMS

Agenda Item No. 1

CONSTRUCTION CONTRACT AMENDMENT – PORT OF PORTLAND HEADQUARTERS AND PARKING STRUCTURE – PORTLAND INTERNATIONAL AIRPORT

This agenda item requested approval to amend the construction contract with Hoffman Construction Company for the Port of Portland headquarters building and second parking garage at Portland International Airport.

Karl Schulz presented the Executive Director's recommendations as follows:

BE IT RESOLVED, That approval is given to amend the existing construction contract with Hoffman Construction Company for the headquarters and parking structure project at Portland International Airport, in accordance with the terms presented to the 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 Olson moved that the Executive Director's recommendations be approved. Commissioner Holte seconded the motion, which was put to a voice vote. Commissioners Allen, Bragdon, Carter, Corey, Holte, Johansen, Olson and Rosenbaum voted in favor of the motion.

Commissioner Johansen declared an actual conflict of interest with agenda item No. 2 and said she would not participate in the discussion or the vote and asked that Commissioner Olson chair the agenda item.

Agenda Item No. 2

CONTRACT – PERSONAL SERVICES – LOWER WILLAMETTE PROGRAM

This agenda item requested approval of a personal services contract with Formation Environmental, LLC, in the amount of \$3 million, to provide consulting services and expertise, including assistance with the Portland Harbor Remedial Investigation and Feasibility Study, the Natural Resource Damages Assessment process, and overall program strategy and allocation support.

Jim McKenna presented the Executive Director's recommendations as follows:

BE IT RESOLVED, That approval is given to award a contract to Formation Environmental, LLC, to provide personal services in support of the Lower Willamette Program, through December 2014; 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 Allen moved that the Executive Director's recommendations be approved. Commissioner Corey seconded the motion, which was put to a voice vote. Commissioners Allen, Bragdon, Carter, Corey, Holte, Olson and Rosenbaum voted in favor of the motion.

Mr. Wyatt noted that Paul Campbell, the Port's "man-behind-the-curtain" during every Commission meeting, will be retiring, so this is his last official Commission meeting. Mr. Wyatt said he has been an extraordinary contributor and he will be sorely missed.

The meeting adjourned at 11:15 a.m.

President

Assistant Secretary

Date Signed

A complete audio recording of these proceedings is available at the Port of Portland administrative offices, 121 N.W. Everett Street, Portland, Oregon 97209.

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