

**MINUTES**  
**REGULAR COMMISSION MEETING**  
**THE PORT OF PORTLAND**  
**July 13, 2011**

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 Chinook conference room of the Port's administrative offices located at 7200 NE Airport Way.

**QUORUM**

Commissioners present were Judi Johansen, President, presiding; Ken Allen; Peter Bragdon; Jim Carter; Tom Chamberlain; Steve Corey; Diana Daggett and Bruce Holte. Also present were Bill Wyatt, Executive Director; participating staff members; and members of the public.

**LEAVE OF ABSENCE**

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

**MINUTES**

Commissioner Johansen called for a motion to approve the minutes of the Regular Commission Meeting of May 11, 2011, the Regular Commission Meeting of June 8, 2011, and the Special Commission Meeting of June 24, 2011. Commissioner Allen moved to approve the minutes. Commissioner Bragdon seconded the motion, which was put to a voice vote. Commissioners Allen, Bragdon, Carter, Chamberlain, Corey, Daggett, Holte and Johansen voted in favor of the motion.

**EXECUTIVE DIRECTOR'S REPORT**

Mr. Wyatt said the 2011 legislative session was a good one for the Port. He said two bills passed that are of significance to the Port: HB 3325, which deals with brownfields and legacy environmental liability; and SB 766, which deals with expediting the permitting process for regionally significant industrial property. Mr. Wyatt noted the legislature appropriated \$40 million of lottery-bonded funds for *ConnectOregon*. Mr. Wyatt said the port has been a major beneficiary of the program in the past.

Mr. Wyatt said the American Association of Port Authorities held their Maritime Economic Development conference here in Portland. He said the mood and tone at the conference was optimistic.

Mr. Wyatt said we continue to experience solid passenger growth at PDX. He said May was up 5.1 percent over the same month last year and June was up 3.2 percent. Mr. Wyatt said this is significant considering the small increases in capacity that we have seen. He noted that Alaska Airlines was a major beneficiary of the passenger volume growth. Mr. Wyatt said that for the fiscal year, passenger volumes are up 4.5 percent, well above of our forecast. He said this reflects favorably on the regional economic outlook. Mr. Wyatt said the price of fuel is one of the economic clouds that are of concern. He said both the Tokyo and Amsterdam flights are doing well and while the passenger volumes are not high, the yields are.

Mr. Wyatt said cargo tonnage is down and, as an indicator, it is something to keep an eye on because much of it is retail oriented.

Mr. Wyatt said the baggage handling system has been performing well. He said we started introducing baggage onto the north matrix and over the next few days, all of the carriers will be using the system. He said by the end of summer, the CTX scanning machines in the ticket lobby will be removed.

Mr. Wyatt said the deicing collection and treatment system is nearing the end of construction. He said things have gone exceptionally well and preliminary testing has shown the system is operating as expected.

Mr. Wyatt said the south runway reconstruction is a couple weeks behind schedule owing to a number of factors, including the weather. He said production is now where we would like it to be and we have a high level of confidence in completing the essential elements of the project by the end of September.

Mr. Wyatt said that despite the incredibly high river water levels, it brings with it shoaling so there is a 40' draft restriction for the Columbia River. Mr. Wyatt said the Dredge OREGON has been dispatched and is now addressing these known areas of sand build up. Mr. Wyatt said we were anticipating a few years of relatively slow activity for the dredge following the Channel Deepening Project, but this has not proven to be the case and it will be a long dredging season.

Mr. Wyatt said the flooding in the Midwest has impacted the mainline of the BNSF railroad. He said the impact on service levels to Portland and the Pacific Northwest has been mainly with longer transit times.

Mr. Wyatt said the Port has signed a memorandum of understanding with the Port of Tianjin, the fifth largest port in the world, for an exchange of senior executives. Tim Van Wormer, a senior planner in Marine and Industrial Development, spent five weeks at the Port of Tianjin. Mr. Wyatt said while they are a much larger port with 40,000 employees, they are similar to us structurally and have many of the same functions and challenges. Mr. Wyatt said assuming the Port of Tianjin receives approval from the Chinese government, they will send us someone in a senior role.

Mr. Wyatt said the Port was represented in the Portland Pride parade this year and he thanked Commissioners Allen and Chamberlain for participating. Commissioner Allen commended Mr. Wyatt for having an entry in the parade. He said the employees felt supported.

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

## **SAFETY AND HEALTH ACHIEVEMENT RECOGNITION PROGRAM AWARD PRESENTATION AND SAFETY UPDATE**

Sam Ruda, Director of Marine and Industrial Development (MID), said it has been three years since MID initiated the Safety and Health Achievement Recognition Program (SHARP). He said he was happy to report they completed the certification assessment for the third year. Mr. Ruda acknowledged the leadership team in the safety program, Andrea Marzette, Steve Eversmeyer,

Ellen Ridgeway and Greg Bieber. Mr. Ruda thanked the “A” team from Marine Facilities Maintenance: Matt English, Ron Robertson, Scott Carter, Ron Wigger and Lyle Larson. Mr. Ruda said the MID safety assessment is moving in the right direction and the ratings are moving into the higher areas of the assessment criteria.

William (Buddy) Kloster of Oregon OSHA presented the Port with the SHARP award.

Mr. Wyatt said the emphasis Commissioner Johansen has put on safety has had an impact throughout the organization. He said people are paying attention to it and we are far more aware that safety is and needs to be a priority.

Steve Eversmeyer, Safety and Loss Control Manager, presented an overview of the Port’s safety metrics including an explanation of the Navigation and MID days away from work or restricted activity (DART) rates and the comparison with Oregon OSHA rates. Mr. Eversmeyer also provided a brief safety update that included recordable rates, workers compensation claims and incurred costs, and information about specific injury categories.

## **ACTION ITEMS**

### **Agenda Item No. 1**

#### **COLLECTIVE BARGAINING AGREEMENT – NAVIGATION DEPARTMENT**

This agenda item requested approval of a new four-year and one-month collective bargaining agreement between the Port of Portland and the International Union of Operating Engineers, Local 701.

Brenda Meece presented the Executive Director’s recommendations as follows:

BE IT RESOLVED, That approval is given to enter into a collective bargaining agreement with the International Union of Operating Engineers, Local 701, for a four-year and one month agreement beginning June 1, 2011, setting forth wages, fringe benefits and working conditions for the employees in the Navigation Department, consistent 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 Allen 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, Chamberlain, Corey, Daggett, Holte and Johansen voted in favor of the motion.

### **Agenda Item No. 2**

#### **CONCESSION LEASES – PARADIES-MY-REO, LLC, AND HOST INTERNATIONAL, INC. – PORTLAND INTERNATIONAL AIRPORT**

This agenda item requested approval to enter into two new concession leases awarded through a Request for Proposals, with Paradies-My-Reo, LLC, and Host International, Inc., for the operation of 10 News and Gift locations at Portland International Airport.

Rebecca Sonniksen presented the Executive Director’s recommendations as follows:

BE IT RESOLVED, That approval is given to enter into two new concession leases with Paradies-My-Reo, LLC, and Host International, Inc., for the operation of 10 News and Gift locations at Portland International Airport, consistent 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 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, Chamberlain, Corey, Daggett, Holte and Johansen voted in favor of the motion.

Gregg Paradies, President of Paradies Shops, said he is excited about the Port’s updated concession program. He said the Port’s management team is as strong as any other in the country, which is recognized by the numerous awards the Port has received. He said their relationship with the Port is a true partnership. He said the RFP process was solid and probably the best and most straight forward and transparent process he has seen.

Renee Tedesco of Host International, Inc., echoed Mr. Paradies’ comments and said while they currently have food and beverage concessions at PDX, they are new to news and gift at PDX. She said it has been a collaborative process; she said when you have a number one, award-winning airport and you put out an RFP, it is a challenge to come up with a program to make it even better.

Stephanie Jewell, of Stephanie, Inc., echoed the previous comments. She congratulated the Port on the LEED Platinum designation; she said it is exciting to partner with an organization that talks the sustainable tomorrow talk. Ms. Jewell said she is very excited about the new opportunity to partner with Host International on the news and gift concession.

The meeting adjourned at 10:40 a.m.

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President

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Assistant Secretary

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Date Signed

An audio recording of these proceedings and the full Commission agenda is available by contacting the Port of Portland administrative offices, 7200 N.E. Airport Way, Portland, Oregon 97218.