

**MINUTES
REGULAR COMMISSION MEETING
THE PORT OF PORTLAND
June 11, 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 Mary Olson, Vice President, presiding; Ken Allen; Peter Bragdon; Steve Corey; Bruce Holte; Paul Rosenbaum and Bill Thorndike. Also present were Bill Wyatt, Executive Director; participating staff members; and representatives of the public. Commissioner Johansen was not present for the meeting.

LEAVE OF ABSENCE

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

Commissioner Olson noted that agenda item No. 2 on the Consent Agenda has been revised. The Commissioners have received a copy of the revised item.

MINUTES

Commissioner Olson called for a motion to approve the minutes of the Regular Commission Meeting of May 14, 2008. Commissioner Rosenbaum moved to approve the minutes. Commissioner Allen seconded the motion, which was put to a voice vote. Commissioners Allen, Bragdon, Corey, Holte, Olson, Rosenbaum and Thorndike voted in favor of the motion.

EXECUTIVE DIRECTOR'S REPORT

Bill Wyatt said if you have been to the airport recently, you have noticed a lot of construction activity. Mr. Wyatt said it is important to note that this activity is based on plans that have been in development for a long time. While passenger traffic continues to be very strong and we expect to see a strong summer, we are expecting traffic to drop off significantly this fall. Mr. Wyatt said for the first time in the modern, deregulated era of commercial aviation, we are about to experience a significant decline in the number of planes in the air and number of seats being flown, all related to the price of oil. Fuel represents about half the cost of operating an airline today, compared to about 10 percent 15 to 20 years ago. Mr. Wyatt said this means the price of airfare will go up and as the prices go up, the demand for travel will go down. He said at the moment, it is a little difficult to predict precisely what this means and where it will end up.

Mr. Wyatt said that the current state of the airline industry is important because the Commission will be adopting the FY2008-2009 budget, which reflects business as it is today, not as we expect it to be. The reason for this is that although we do not know what changes are in store for the future, we will react to and manage those changes when the time comes. Mr. Wyatt said

we will be sizing the organization to the business that is available to us once we are able to properly identify where that is and what it means. It would not be appropriate for us to sit back and just assume everything will be alright. We will be on our toes to react as quickly and responsibly as we can.

The Transportation Security Administration now offers new “family-friendly” lanes at the security checkpoints to provide extra assistance for those traveling with children, or for elderly or disabled passengers who would like additional assistance.

Mr. Wyatt said he would be traveling to Tokyo with Sam Ruda, Marine and Industrial Development Director, to meet with two important customers of the Port: K-Line and Marubeni, the parent company of Columbia Grain. Mr. Wyatt said K-Line would be resuming service to Portland at the end of July and will offer direct service to three ports in Japan. Mr. Wyatt said this new service would be extremely beneficial to the agricultural interest in Oregon, SW Washington and Eastern Oregon/Washington. Marubeni has had a banner year and because the global grain market is very strong, we will be discussing some significant facility improvements with them.

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

CONSENT AGENDA

No presentations were made of the following agenda items, which were brought before the Commission as part of the Consent Agenda. Commissioner Olson read the titles of the agenda items and called for a motion to approve the items.

Agenda Item No. 1

CONSENT TO ENTERPRISE ZONE EXPANSION APPLICATION BY THE CITIES OF FOREST GROVE AND CORNELIUS

BE IT RESOLVED, That the Port of Portland Commission consents to an application by the Cities of Forest Grove and Cornelius for the expansion and creation of the Forest Grove/Cornelius Enterprise Zone located within Port of Portland district boundaries.

Agenda Item No. 2

RENEW DELEGATION OF AUTHORITY TO DECLARE OFFICIAL INTENT TO REIMBURSE EXPENDITURES FROM TAX-EXEMPT OBLIGATIONS

WHEREAS, The Port of Portland anticipates the need to reimburse itself for costs associated with projects financed with tax-exempt obligations issued either by the Port of Portland or by other governmental agencies or entities; and

WHEREAS, The Internal Revenue Service has promulgated regulations that allow a governmental unit to reimburse itself with tax-exempt proceeds for an expenditure paid more than 60 days prior to the date of the delivery of the tax-exempt obligations, provided that the governmental unit declares its official intent to reimburse the expenditure no later than 60 days after the expenditure was made; and

WHEREAS, The Regulations provide that official intent may be made in any reasonable form, including both a resolution of the entity, or a declaration by a person authorized or designated to declare official intent on behalf of the entity;

BE IT RESOLVED, That the Executive Director of the Port of Portland, its Chief Financial Officer, or their designee is authorized to declare official intent on behalf of the Port of Portland pursuant to the Regulations; and

BE IT FURTHER RESOLVED, That declarations of official intent made by the Executive Director, the Chief Financial Officer, or their designee shall constitute declarations of official intent by the Port of Portland pursuant to the Regulations; and

BE IT FURTHER RESOLVED, That the Executive Director, the Chief Financial Officer or their designee is authorized to declare official intent on behalf of the Port of Portland Commission in a form approved by counsel for the Port of Portland to reimburse itself with tax-exempt obligations.

Following the reading of the titles of the Consent Agenda by Commissioner Olson, Commissioner Rosenbaum moved that the Executive Director's recommendations be approved and Commissioner Holte seconded the motion. The motion was put to a voice vote. Commissioners Allen, Bragdon, Corey, Holte, Olson, Rosenbaum and Thorndike voted in favor of the motion.

ACTION ITEMS

Agenda Item No. 3

FIRST READING AND PUBLIC HEARING – PORT OF PORTLAND ORDINANCE NO. 423-R – AMENDING AND RESTATING ORDINANCE 348, AS AMENDED BY ORDINANCE NOS. 370-R AND 377-R, REGULATING USE AND OPERATION OF AIRPORTS AND THEIR FACILITIES

This agenda item requested a first reading and public hearing on proposed Port of Portland Ordinance No. 423-R, the amendment and restatement of Ordinance No. 348, as amended by Ordinance Nos. 370-R and 377-R, which pertains to regulation of use and operation of airports and their facilities.

Wendy Hain read Ordinance No. 423-R by title only.

PUBLIC HEARING

Commissioner Olson opened a public hearing for purposes of taking testimony on the proposed Port of Portland Ordinance No. 423-R.

John Weigant, a resident of East Portland, addressed the Commission to request that they delay the adoption of the ordinance revisions. Mr. Weigant said he is concerned about Ordinance No. 423-R and the delegation of rule making authority to the Executive Director and his delegates. He said the Ordinance would grant a substantial increase in power for the Executive Director to create essentially whatever rules seem necessary. Mr. Weigant said if the Port really wants public involvement, the Port should proactively promote it and submit the Ordinance to the scrutiny of the public. Mr. Weigant said he did not have any particular problems with the Ordinance other than it is very general, very broad and very powerful.

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Hearing no other comments, Commissioner Olson closed the public hearing and noted that no action was required at this time. She said Ordinance No. 423-R will be brought back before the Commission for a second reading and request for adoption at the July 9, 2008, meeting.

Agenda Item No. 4

FIRST READING AND PUBLIC HEARING – PORT OF PORTLAND ORDINANCE NO. 426-R – AMENDING ORDINANCE NO. 367-R, REGULATING USE AND OPERATION OF MARINE TERMINALS AND THEIR FACILITIES

This agenda item requested a first reading and public hearing on proposed Port of Portland Ordinance No. 426-R, which regulates the use and operation of Marine terminals and their facilities.

Wendy Hain read Ordinance No. 426-R by title only.

PUBLIC HEARING

Commissioner Olson opened a public hearing for purposes of taking testimony on the proposed Port of Portland Ordinance No. 426-R.

Mr. Weigant said the new language in the ordinance pertaining to dangerous substances or devices means any material substance or item that reasonably has the potential to cause a security incident resulting in a significant loss of life or environmental damage, transportation disruption or economic disruption in a particular area. Mr. Weigant said by definition, a picket sign could be defined as dangerous for creating an economic disruption in a particular area where the picketer was standing. Mr. Weigant said Ordinance No. 426-R is much briefer with a lot less content and could benefit from some public involvement to work through issues to ensure that the interests of the public are met.

Hearing no other comments, Commissioner Olson closed the public hearing and noted that no action was required at this time. She said Ordinance No. 426-R will be brought back before the Commission for a second reading and request for adoption at the July 9, 2008, meeting.

Agenda Item No.5

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

This agenda item requested approval to amend the construction contract and incorporate the project Negotiated Contract Price with Hoffman Construction Company for the Port of Portland (Port) headquarters building and second parking garage at Portland International Airport (PDX).

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

BE IT RESOLVED, That approval is given to amend an 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 Thorndike moved that the Executive Director's recommendations be approved. Commissioner Rosenbaum seconded the motion, which was put to a voice vote. Commissioners Allen, Bragdon, Corey, Holte, Olson, Rosenbaum and Thorndike voted in favor of the motion.

Agenda Item No. 6

PRE-CONSTRUCTION CONTRACT – DEICING SYSTEM ENHANCEMENTS CONSTRUCTION MANAGER/GENERAL CONTRACTOR – PORTLAND INTERNATIONAL AIRPORT

This agenda item requested approval of the construction manager/general contractor for the deicing system enhancements and a personal services contract for pre-construction services for the deicing system enhancement at Portland International Airport.

George Seaman presented the Executive Director's recommendations as follows:

BE IT RESOLVED, That approval is given to award a preconstruction services contract to JE Dunn Construction for the Deicing Enhancements Project at Portland International Airport; and

BE IT FURTHER RESOLVED, That JE Dunn Construction is named as the construction manager/general contractor for the Deicing Enhancements Project at Portland International Airport; 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 Bragdon seconded the motion, which was put to a voice vote. Commissioners Allen, Bragdon, Corey, Holte, Olson, Rosenbaum and Thorndike voted in favor of the motion.

Commissioner Allen declared a conflict of interest with Agenda Item No. 7 and abstained from the discussion and vote.

Agenda Item No.7

COLLECTIVE BARGAINING AGREEMENT – AVIATION PARKING CONTROL REPRESENTATIVES

This agenda item requests approval of a new three-year collective bargaining agreement between the Port of Portland (Port) and the American Federation of State, County and Municipal Employees (AFSCME), Local 3220.

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 American Federation of State, County and Municipal Employees, Local 3220, for a three-year agreement beginning July 1, 2007, setting forth wages,

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fringe benefits and working conditions for employees working as Aviation Parking Control Representatives, 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 Rosenbaum moved that the Executive Director's recommendations be approved. Commissioner Holte seconded the motion, which was put to a voice vote. Commissioners Bragdon, Corey, Holte, Olson and Rosenbaum voted in favor of the motion. Commissioner Thorndike was not present for the vote.

Agenda Item No. 8

CONSTRUCTION CONTRACT – INTERSTATE 205 SOUTHBOUND OFF-RAMP – PORTLAND INTERNATIONAL AIRPORT

This agenda item requested approval to award a construction contract for the Interstate 205 (I-205) Southbound Off-Ramp project at Portland International Airport.

Ken Willhite presented the Executive Director's recommendations as follows:

BE IT RESOLVED, That approval is given to award a construction contract to Kerr Contractors, Inc., for the Interstate 205 Southbound Off-Ramp project at Portland International Airport, in accordance with its bid; 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 Bragdon moved that the Executive Director's recommendations be approved. Commissioner Corey seconded the motion, which was put to a voice vote. Commissioners Allen, Bragdon, Corey, Holte, Olson, and Rosenbaum voted in favor of the motion. Commissioner Thorndike was not present for the vote.

Agenda Item No. 9

PROPERTY LEASE – DEPARTMENT OF THE ARMY, CORPS OF ENGINEERS – TERMINAL 2

This agenda item requested approval to enter into a five-year Lease agreement with the U.S. Army Corps of Engineers for approximately 3.92 acres of land and exclusive use rights for Berths 203 and 204 at Terminal 2.

Jeff Krug presented the Executive Director's recommendations as follows:

BE IT RESOLVED, That approval is given to enter into a new lease with the U.S. Army Corps of Engineers for land, improvements and berth space at Terminal 2, consistent with the terms and conditions described herein; 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 Allen seconded the motion, which was put to a voice vote. Commissioners Allen, Daggett, Holte, Johansen, Olson, and Rosenbaum voted in favor of the motion. Commissioner Thorndike was not present for the vote.

The meeting adjourned at 10:15 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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