

**MINUTES
REGULAR COMMISSION MEETING
THE PORT OF PORTLAND
October 10, 2007**

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; Bruce Holte; Mary Olson and Bill Thorndike. Also present were Bill Wyatt, Executive Director; participating staff members; and representatives of the public.

Commissioner Johansen welcomed new Commissioners Diana Daggett and Peter Bragdon.

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. Commissioner Corey moved to grant the leaves of absence. Commissioner Holte seconded the motion, which was put to a voice vote. Commissioners Bragdon, Corey, Daggett, Holte, Johansen and Olson voted in favor of the motion. Commissioner Thorndike was not present for the vote.

MINUTES

Commissioner Johansen called for a motion to approve the minutes of the Regular Commission Meeting of September 12, 2007. Commissioner Olson moved to approve the minutes. Commissioner Holte seconded the motion, which was put to a voice vote. Commissioners Bragdon, Corey, Daggett, Holte, Johansen and Olson voted in favor of the motion. Commissioner Thorndike was not present for the vote.

EXECUTIVE DIRECTOR'S REPORT

Mr. Wyatt said Conde Nast magazine once again rated Portland International Airport (PDX) as the best domestic airport in the United States. He said this award is about more than just looking good; looking good and functioning successfully is a business strategy. Mr. Wyatt said we got affirmation of this from Doug Steenland, President of Northwest Airlines (NWA), when he told *The Oregonian* editorial board that airports are making a difference in a number of ways. He said airlines are looking for gateways and opportunities at uncongested airports. Airports like JFK and Chicago, for example, are becoming too busy for airlines to operate successfully, conveniently and consistently. Places like Portland are looking more attractive to carriers because we have the capacity, we have room, and we have a growing market.

Commissioner Johansen said she believes one reason that PDX a nice place to travel through are the Transportation Security Administration (TSA) agents. She said not everyone takes advantage of the airport's amenities, but everyone must go through the security screening. In her opinion, the TSA agents at PDX are friendly and professional and the screening process is comfortable.

Mr. Wyatt said NWA announced new daily non-stop service to Amsterdam beginning March 29. He said this is a significant development because we did not recruit them. NWA is here because the market size has essentially doubled since Lufthansa began flying to Frankfurt. Amsterdam is a great gateway, KLM Airlines is a great partner for Northwest, and it opens some additional opportunities, creating a competitive atmosphere in the European segment. Mr. Wyatt said he has been asked if two non-stop European service carriers could be successful in Portland. He said two could be successful, but neither gets a guarantee. They are both going to have to get out there and struggle for the business; they are both extremely well run carriers and both are strong financially.

Mr. Wyatt said construction has begun in earnest at the airport. The initial roadway work has gone quite well and the widening project will soon be underway. The In-Line Baggage Screening Improvements project is moving forward. We have had a few bumps in the road, but nothing that should be unexpected given the challenging nature of the project.

Mr. Wyatt said additional stores have opened in Cascade Station without negative impacts to traffic – an indication that the traffic engineers were correct when they predicated Airport Way traffic would not be substantially affected.

Mr. Wyatt said Portland would be host to the nation's largest counter terrorism exercise, TOPOFF 4. This year's exercise is fourth in a series of congressionally mandated preparedness and response exercises. The exercise will involve as many as 10,000 people and Port security and safety staff will be participating.

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

GENERAL DISCUSSION

Port of Portland Strategic Plan

Tom Imeson, Public Affairs Director, said it has been two years since the last strategic plan was presented to the Commission. Mr. Imeson said the objectives for the strategic plan were to have a stronger focus on operating divisions, more Port staff and stakeholder involvement and a tighter linkage to business/budget planning. Mr. Imeson highlighted the Port's five strategic objectives – OnePort, Marine, Industrial Land, Aviation and Environmental – the outcomes that flow from the strategic objectives and the three-to-five year strategies aimed at achieving the desired outcomes. Mr. Imeson said three areas were identified across the Port that required special initiatives – security, workforce practices and information technology. Mr. Imeson said the strategic plan would be back before the Commission for approval at the November meeting.

Mr. Wyatt said the Port formally introduced a new performance management system a year ago that is directly linked to the strategic plan. The relationship is significant because using the metrics that will be developed for the business plan and the performance management system means leaders of the organization now have their hands on the wheel and we can turn the boat. He said for the first time he can see our ability to adopt a strategic plan and have it influence the direction of the organization.

Commissioner Johansen said once the metrics have been developed, it would be useful to have a Commission level scorecard that ties in with the Executive Directors' monthly report.

Port of Portland Environmental Video & Objectives and Targets

Dorothy Sperry, Environmental Affairs Manager, introduced the Port's new environmental video, which is a comprehensive view of the Port's environmental accomplishments and helps put the objectives and targets into perspective. Following the video, Ms. Sperry highlighted the Port's five program objectives: water, natural resources, air, waste and energy. Ms. Sperry briefly discussed the targets for each objective. She said the Port completed nine of the thirteen environmental targets and partially completed four.

ACTION ITEMS

Agenda Item No. 1

COMMISSION INVESTMENTS POLICY NO. 6.1.2

This agenda item requested approval to renew Commission Investments Policy No. 6.1.2. Pursuant to ORS 294.035, for the Port of Portland (Port) to invest funds in securities with maturities longer than 18 months, the investments must be made in accordance with a written investment policy, adopted annually by the Port Commission. If material changes are made, the policy must be reviewed by the Oregon Short Term Fund Board.

Kristin Bauer presented the Executive Director's recommendations as follows:

BE IT RESOLVED, That the Port of Portland Commission Investments Policy No. 6.1.2 dated October 10, 2007, is hereby approved; and

BE IT FURTHER RESOLVED, That a copy of Commission Investments Policy No. 6.1.2 be attached to the minutes of this meeting.

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

Agenda Item No. 2

CONSTRUCTION CONTRACT – BERTH 603 MAINTENANCE DREDGING AND BERTHS 604 AND 605 DEEPENING – MARINE TERMINAL 6

This agenda item requested approval to award a construction contract for the maintenance dredging of Berth 603 and the deepening of Berths 604 and 605 at Marine Terminal 6.

Marcel Hermans presented the Executive Director's recommendations as follows:

BE IT RESOLVED, That approval is given to award a construction contract for Terminal 6 Berth 603 maintenance dredging and Berths 604 and 605 deepening to Advanced American Construction, Inc., 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 Holte moved that the Executive Director's recommendations be approved. Commissioner Bragdon seconded the motion, which was put to a voice vote; Commissioners Bragdon, Corey, Daggett, Holte, Johansen, Olson and Thorndike voted in favor of the motion.

The meeting adjourned at 10:19 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.