

# **- DRAFT -**

## **MINUTES REGULAR COMMISSION MEETING THE PORT OF PORTLAND October 11, 2017**

Following due notice to the public, the regular meeting of the Board of 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.

An audio recording was made of these proceedings. The recording, and the full Commission agenda, is available on the Port's website: [www.portofportland.com](http://www.portofportland.com). The following written minutes constitute a summary of the proceedings.

### **QUORUM**

Commissioners present were Jim Carter, President, presiding; Mike Alexander; Tom Chamberlain; Alice Cuprill-Comas; Bob Levy, via telephone; Pat McDonald; Linda Pearce and Tom Tsuruta. Also present were Kristen Leonard, Chief Public Affairs Officer, participating staff members and members of the public.

### **LEAVE OF ABSENCE**

Commissioner Carter called for a motion to grant a leave of absence to Commissioner Young, who had jury duty. Commissioner Chamberlain moved to grant the leave of absence. Commissioner Alexander seconded the motion, which was put to a voice vote. Commissioners Alexander, Carter, Chamberlain, Cuprill-Comas, Levy, McDonald, Pearce and Tsuruta voted in favor of the motion.

### **MINUTES**

Commissioner Carter called for a motion to approve the minutes of the Commission Meeting of September 13, 2017. Commissioner Chamberlain moved to approve the minutes. Commissioner Pearce seconded the motion, which was put to a voice vote. Commissioners Alexander, Carter, Chamberlain, Cuprill-Comas, Levy, McDonald, Pearce and Tsuruta voted in favor of the motion.

### **EXECUTIVE DIRECTOR'S REPORT**

Kristen Leonard addressed the Commission and audience; her comments covered the following general topics:

- Acknowledged the Port's monthly safety champions and asked Stan Watters for this month's safety message;
- Curtis Robinhold, executive director, is out of the office, traveling with the Governor's trade mission in Asia. We are proud that our leaders are part of the group promoting Oregon products and business connections in Hong Kong and Tokyo;
- Nick Atwell, PDX wildlife program manager, and his team were awarded the FAA Sandy Wright/Richard Dolbeer Excellence in Strike Reporting award, in recognition of the science and data behind our wildlife policies and practices;

- Airports Council International recognized PDX, Hillsboro and Troutdale airports for achieving Airport Carbon Accreditation – reducing emissions by making investments in heating and lighting efficiency technology; electric, hybrid or gas-powered vehicles; incentivizing public transportation; reducing corporate travel and working with partners to encourage additional emissions reductions;
- The U.S. Army Corps of Engineers Lower Columbia River Channel Maintenance Planning public scoping meetings are now underway. We are proud to support this effort to plan for future dredge material placement sites;
- Port staff will be teaming up with Friends of Trees for a planting event on Saturday, November 4, with the Sandy River Basin Watershed Council; and
- The 17th annual Hillsboro Airport Air Fair is Saturday, October 21. This is a great opportunity to open our doors to families and the community for kids’ activities, tours, flight simulators and conversations with our community partners.

Commissioner Carter called for a motion to approve the Executive Director’s Report. Commissioner Cuprill-Comas moved to approve the Executive Director’s Report. Commissioner Chamberlain seconded the motion, which was put to a voice vote. Commissioners Alexander, Carter, Chamberlain, Cuprill-Comas, Levy, McDonald, Pearce and Tsuruta voted in favor of the motion.

**PUBLIC COMMENT**

There were no public comments this month.

**CONSENT ITEMS**

Agenda Item No. 1

**CITY OF PORTLAND ENTERPRISE ZONE BOUNDARY AMENDMENTS**

BE IT RESOLVED, That the Port of Portland Commission consents to a request by the City of Portland to the boundary amendments of the Portland Enterprise Zone and East Portland Enterprise Zone, both located within the Port of Portland district boundaries; 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.

Agenda Item No. 2

**COMMISSION POLICY NO. 6.1.2 – INVESTMENTS**

BE IT RESOLVED, That Port of Portland Commission Policy No. 6.1.2, *Investments*, dated October 11, 2017, is hereby readopted; and

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

Following the reading of the titles of the Consent Agenda by Commissioner Carter, Commissioner Chamberlain moved to approve the recommendations. Commissioner Alexander seconded the motion, which was put to a voice vote. Commissioners Alexander, Carter, Chamberlain, Cuprill-Comas, Levy, McDonald, Pearce and Tsuruta voted in favor of the motion.

### **ACTION ITEMS**

#### **Agenda Item No. 3**

#### **PUBLIC IMPROVEMENT CONTRACT – POST-SECURITY CONCESSIONS REDEVELOPMENT STOREFRONTS 2017 CONCOURSE D AND C WEST – PORTLAND INTERNATIONAL AIRPORT**

This agenda item requested approval to award a public improvement contract to Todd Hess Building Company, Inc., for the Post-Security Concessions Redevelopment Storefronts 2017 Concourse D and C West Improvement project at Portland International Airport in the amount of \$2,138,495.

Dan Gilkison presented the Executive Director's recommendations as follows:

BE IT RESOLVED, That approval is given to award a public improvement contract for the Post-Security Concessions Redevelopment Storefronts 2017 Concourse D and C West project at Portland International Airport to Todd Hess Building Company, 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 Carter called for a motion to approve the recommendations. Commissioner Alexander moved that the recommendations be approved. Commissioner Pearce seconded the motion, which was put to a voice vote. Commissioners Alexander, Carter, Chamberlain, Cuprill-Comas, Levy, McDonald, Pearce and Tsuruta voted in favor of the motion.

#### **Agenda Item No. 4**

#### **PUBLIC IMPROVEMENT CONTRACT – PARKING ADDITIONS AND CONSOLIDATED RENTAL CAR FACILITY – PORTLAND INTERNATIONAL AIRPORT**

This agenda item requested approval to amend the design-build (D-B) public improvement contract with JE Dunn Construction Company (JE Dunn), in the amount of \$84,145,297. Under this phase of the D-B contract, JE Dunn will perform final design and construct early work packages which are essential to timely deliver the Parking Additions and Consolidated Rental Car Facility project at Portland International Airport.

Dave Dittmer presented the Executive Director's recommendations as follows:

BE IT RESOLVED, That approval is given to amend the public improvement contract with JE Dunn Construction Company to provide for the design and construction of the Enabling Work described above in this agenda item for the Parking Additions and Consolidated Rental Car Facility project 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 Carter called for a motion to approve the recommendations. Commissioner Tsuruta moved that the recommendations be approved. Commissioner Alexander seconded the motion, which was put to a voice vote. Commissioners Alexander, Carter, Chamberlain, Cuprill-Comas, Levy, McDonald, Pearce and Tsuruta voted in favor of the motion.

Agenda Item No. 5

REMEDY IMPLEMENTATION SERVICES CONTRACT – MCBRIDE SLOUGH CLEANUP – PORTLAND INTERNATIONAL AIRPORT

This agenda item requested approval to award a contract to Golden Enviro, LLC, for remedy implementation services on the McBride Slough Cleanup project, in the amount of \$3,555,506.

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

BE IT RESOLVED, That approval is given to award a Remedy Implementation Services contract to Golden Enviro, LLC, for the McBride Slough Cleanup project, 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 Carter called for a motion to approve the recommendations. Commissioner Cuprill-Comas moved that the recommendations be approved. Commissioner Pearce seconded the motion, which was put to a voice vote. Commissioners Alexander, Carter, Chamberlain, Cuprill-Comas, Levy, McDonald, Pearce and Tsuruta voted in favor of the motion.

Agenda Item No.6

FIRST READING AND PUBLIC HEARING – PORT ORDINANCE NO. 462-R – AMENDING AND RESTATING ORDINANCE NO. 275, AS AMENDED BY PORT ORDINANCE NO. 300 AS AMENDED BY ORDINANCE NO. 425-R, THAT ESTABLISHED A CIVIL SERVICE SYSTEM FOR FIRE FIGHTERS AND CREATED A CIVIL SERVICE COMMISSION

This agenda item requested a first reading and public hearing on proposed Ordinance No. 462-R, the amendment and restatement of Ordinance No. 275, as amended by Ordinance No. 300, as amended by Port Ordinance 425-R, that established a Civil Service System for the Port of Portland Fire Department.

Chris Neal read Ordinance 462-R by title only.

**PUBLIC HEARING**

Commissioner Carter opened a public hearing for the purpose of taking testimony on Ordinance No. 462-R. Hearing no comments, Commissioner Carter closed the public hearing and noted that no action was required at this time. He said that Ordinance No. 462-R will be brought back before the Commission for a second reading and request for adoption at the November 8, 2017, meeting.

The meeting adjourned at 10:55 a.m.

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President

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Assistant Secretary

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Date Signed

## **PORT OF PORTLAND COMMISSION POLICY**

### **INVESTMENTS Policy No. 6.1.2**

Readopted Commission Meeting of October 11, 2017

The Port of Portland's investment program shall be operated in conformance with Oregon Revised Statutes and applicable Federal Law. Specifically, this investment policy is written in conformance with ORS 294.035; 294.040; 294.052; 294.135; 294.145; and 294.810. All funds within the scope of this policy are subject to regulations established by the State of Oregon. Any revisions or extensions of these sections of the ORS shall be assumed to be part of this Investment Policy immediately upon being enacted.

#### **Objectives**

The primary objective of the Port of Portland investment program is preservation of capital. Consistent with that objective and the cash flow needs of the Port the investment portfolio shall be managed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into consideration the safety and liquidity needs of the portfolio. Although return consists of both principal return and income return, this policy discourages active trading and turnover of investments. Investments should generally be held to maturity.

Authority to manage investments within the scope of this policy and operate the investment program in accordance with established written procedures and internal controls is granted to Assistant Treasurers and the Cash and Investment Program Manager. No person may engage in an investment transaction except as provided under the terms of this policy.

#### **Investment Types**

The Port may invest its funds in securities or investments subject to ORS 294.035, 294.040, and 294.810, with the following restrictions:

Time certificates of deposit with any issuer will not exceed 30 percent of the net capital of such issuer, based on their most currently published financial report and shall be held in qualified Oregon depositories in accordance with ORS Chapter 295.

Banker's acceptances guaranteed by a qualified financial institution shall not exceed 30 percent of the net capital of such institution, based on their most currently published financial report.

No more than 5 percent of municipal bond funds shall be placed with any single issuing authority other than the State of Oregon or one of its agencies. However to the extent that any reserve or construction funds exist and are also subject to yield restrictions by U.S. Treasury regulations or code, such funds may be invested in municipal bonds and no more than 20 percent of such funds shall be placed with any single issuing authority other than the State of Oregon or one of its agencies.

Repurchase agreements shall not exceed a term of 30 days. Collateral provided to the Port under a repurchase agreement shall be deposited with the Port's custodian bank(s), marked to the market daily and maintained at a minimum level in conformance with ORS 294.035 (3)(j).

Repurchase agreements may be entered into with authorized dealers or institutions when a master repurchase agreement or specific written contract governs the transaction. In no case will the total of such agreements with any firm exceed 10 percent of their equity (based on their most recently published financial report).

## Diversification

The portfolio will be diversified so that the par value for each of the security classes shown shall not exceed the maximum position indicated as a percentage of the portfolio:

U.S. Treasury Obligations	100% maximum
U.S. Agency Obligations (GSE) (but no single Agency position shall exceed 30% of the portfolio)	100% maximum
Corporate Indebtedness (subject to ORS 294.035)	35% maximum
Time Certificates of Deposit (TCD)	30% maximum
Bankers Acceptances (subject to ORS 294.035(D))	30% maximum
Repurchase Agreements Under 30 days	50% maximum
Municipal Debt Obligations (subject to ORS 294.035) (No single issuer shall exceed 5% of the portfolio)	15% maximum
Oregon Short Term Fund (subject to ORS 294.810)	As allowed under Oregon Statutes

Investments in Bankers Acceptances, TCD's and other Corporate Indebtedness of any single company or qualified financial institution shall not, in the aggregate, exceed 5 percent of the portfolio. Where appropriate exposures will be limited by security type, maturity, issuance and issuer. Investments must have a rating from at least one of the following nationally recognized statistical ratings organizations: Moody's Investors Service; Standard & Poor's; or Fitch Ratings Service, ratings should be investment level ratings and not issuer level ratings (see ORS 294.035).

If the portfolio falls outside of compliance with adopted investment policy guidelines or is being managed inconsistently with this policy, designated staff shall bring the portfolio back into compliance in a prudent manner as soon as feasible. Due to fluctuations in the portfolio balance, maximum percentages for a particular issuer or investment type may be exceeded at a point in time subsequent to the original purchase date. Securities need not be liquidated to realign the portfolio; however, consideration should be given to this matter when future purchases are made to ensure that appropriate diversification is maintained.

## Investment Maturity

Since the Port's operating cash needs are generated through operating revenues rather than tax receipts, the Port has more flexibility in structuring maturities than is typical for a municipal district dependent primarily on tax resources. Investments will be timed to meet projected cash requirements unless a shorter maturity is desirable. Funds may be invested to a maximum maturity of five years from the date of settlement.

The portfolio will be structured to meet the following minimum maturities:

- Two years and under, 55 percent of par value
- Three years and under, 75 percent of par value
- Five years and under, 100 percent of par value

In all cases, the "Prudent Person Standard" shall apply to investment decisions. The only exceptions to the maximum maturity shown shall be cases where the Port is using the security as collateral on an operating agreement or in instances where the Port is purchasing its own bonds in the marketplace to lower outstanding debt.

## **Authorized Dealers and Financial Institutions**

The Port may purchase or sell securities subject to the provisions of this policy through any of the following:

- Banks, savings and loans, and mutual savings banks authorized to do business in Oregon (not simply loan production offices).
- Primary security dealers as designated by the Federal Reserve Bank of New York and Oregon secondary dealers.
- Primary agency selling group members as designated by the U.S. agency involved.

Financial institutions utilized as depositories must be qualified Oregon Depositories pursuant to ORS Chapter 295.

## **Safekeeping**

All trades of marketable securities will be executed (cleared and settled) by delivery vs. payment (DVP). All securities will be evidenced by safekeeping receipts in the name of the Port of Portland. Securities acquired through repurchase agreements with the Port's custodian bank(s) may be held by the custodian bank(s). In all cases, payment shall be made only upon delivery.

## **Reporting Requirements**

Quarterly, staff will provide the Commission with portfolio reports showing: portfolio diversification, yield and benchmarking comparisons, maturity distribution, and investment allocation, or any other report or information as the Commission may request. The Commission has review authority over the investment program.

## **Renewal**

This policy shall be reviewed annually by the Commission.