

**MINUTES
REGULAR COMMISSION MEETING
THE PORT OF PORTLAND
April 8, 2015**

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 by contacting the Port of Portland administrative offices, 7200 N.E. Airport Way, Portland, Oregon 97218. The following written minutes constitute a summary of the proceedings.

QUORUM

Commissioners present were Jim Carter, President, presiding; Peter Bragdon; Tom Chamberlain; Diana Daggett; Bob Levy; Linda Pearce; Paul Rosenbaum and Tom Tsuruta. Also present were Bill Wyatt, Executive Director, 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 Holte, who was out of town. Commissioner Rosenbaum moved to grant the leave of absence. Commissioner Levy seconded the motion, which was put to a voice vote. Commissioners Bragdon, Carter, Chamberlain, Daggett, Levy, Pearce, Rosenbaum and Tsuruta voted in favor of the motion.

MINUTES

Commissioner Carter called for a motion to approve the minutes of the Regular Commission Meeting of March 11, 2015. Commissioner Daggett moved to approve the minutes. Commissioner Bragdon seconded the motion, which was put to a voice vote. Commissioners Bragdon, Carter, Chamberlain, Daggett, Levy, Pearce, Rosenbaum and Tsuruta voted in favor of the motion.

EXECUTIVE DIRECTOR'S REPORT

Bill Wyatt addressed the Commission and audience. He said his formal Executive Director's report is attached to the Commission packet that is sent out with the Commission materials prior to the meeting and he uses this opportunity to talk about events of interest that have occurred over the course of the last month.

Mr. Wyatt's comments covered the following general topics:

- Terminal 6 is essentially closed due to the loss of the Hapag Lloyd service; the main message around the closure is that until the ongoing labor/management challenges are resolved, it will be challenging to draw new business to Terminal 6;
- Port is working closely with Business Oregon to help develop logistics alternatives for smaller shippers. Governor Brown announced a strategic reserve appropriation, which will allow the Port and Business Oregon to acquire consulting services to examine shipping alternatives;

- West Coast Longshoremen reached a tentative agreement with ratification expected in mid-May;
- Breakfast forum held to discuss the future of agricultural trade in Oregon as part of the Year of Trade initiative;
- Portland Planning and Sustainability Commission approved a text amendment to the code that will allow construction of the Pembina Pipeline Corporation's facility at Terminal 6; the item will now move to the full City Council for their consideration;
- Annual maintenance of the Columbia River locks is complete;
- PDX Logistics Center 1, the first phase in a three-building, two-phase, 864,000-square-foot state-of-the-art logistics park;
- Recap of the PDX Workplace Initiative process and input received to date and next steps to develop a program that will reflect the "spirit" of PDX as the best airport in the country and is a great place to work; and
- Portland Rose Festival Foundation announced that the PDX carpet has been named as the Grand Marshal of the Starlight Parade; Commissioners were presented with PDX carpet mats.

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

PORT OF PORTLAND COMPASS AWARD

Commissioner Carter presented the 2014 nomination for the annual Port of Portland Compass Award. He said the Port initiated the Compass Award program in 2006 to recognize the contributions of community individuals and entities that have demonstrated exceptional support for the Port and the communities we serve. Commissioner Carter said he was honored to recognize the proposed recipient, John Mohlis, of the Oregon State Building and Construction Trade Council.

Commissioner Carter called for a motion to adopt the Resolution of Commendation and Appreciation to John Mohlis. Commissioner Chamberlain moved to adopt the Resolution. Commissioner Bragdon seconded the motion, which was put to a voice vote. Commissioners Bragdon, Carter, Chamberlain, Daggett, Levy, Pearce, Rosenbaum and Tsuruta voted in favor of the motion.

ACTION ITEMS

Agenda Item No. 1

PORT OF PORTLAND PDX WORKPLACE INITIATIVE – PORTLAND INTERNATIONAL AIRPORT

This agenda item requested approval of a resolution to adopt the proposed Port of Portland PDX Workplace Initiative in form attached as Attachment 1.

Kristen Leonard presented the Executive Director's recommendations as follows:

The Executive Director recommends that the following resolution be adopted:

WHEREAS, Airport employees work hard to create a comfortable, efficient and convenient environment for visitors to Portland International Airport; and

WHEREAS, The Port of Portland seeks to generate and make investments in innovative new approaches to attract and retain the very best airport businesses and workers; and

WHEREAS, The implementation of an initiative that is intended to enhance the quality of working conditions for employees of aviation subcontracted service providers and concessions businesses at Portland International Airport is critical to the Port of Portland's strategic interests; therefore

BE IT RESOLVED, That the Commission adopts the attached Port of Portland PDX Workplace Initiative, and directs Port of Portland staff to implement and administer it in accordance with the terms presented to Commission.

Commissioner Levy asked a clarification question regarding the schedule and work group and Ms. Leonard responded to those questions.

Christian Joly, co-owner of Capers Café, addressed the Commission regarding the revisions made to the draft PDX Workplace Initiative. He said he is excited about the changes and the revised Workplace Initiative is a workable document, both from an employer and employee standpoint.

Liliy Vigovskaya, a Huntleigh employee, provided written remarks and addressed the Commission regarding working conditions and the benefits of becoming a member of Service Employees International Union (SEIU). Tina Cummins, an employee of Menzies Aviation, also provided written remarks and addressed the Commission regarding working conditions and the benefits of organizing.

Steve Maller, Vice President of the Association of Flight Attendants, CWA Local 39 in Portland, and a flight attendant for Alaska Airlines, provided testimony in support of the subcontracted workers at PDX and the need for minimum standards to improve working conditions, pay and benefits.

Sean Williams, representing Airlines 4 America (A4A), provided the Commission with written testimony prior to the meeting. He said airlines and their partners have a vested interest in PDX being a busy airport and many of the goals we are seeking to achieve can be achieved. He said one of A4A's issues is the process; he does not believe there was a robust stakeholder process. He said A4A believes there are things in the draft Workplace Initiative that should be of concern to the airlines, service providers, workers and the Port, and that some legal and operational challenges will exist. He believes all of the challenges can be worked out by engaging all of the stakeholders.

Len Sloper, Managing Director for the Airline Service Providers Association (ASPA), said his organization shares the same concerns expressed by Mr. Williams. He said ASPA would like to engage in serious dialogue regarding some of the operational challenges. He said his biggest concern at the moment is the very specific language contained in the one page document that was just distributed. Commissioners Levy and Tsuruta asked questions of Mr. Sloper and he responded. Commissioner Rosenbaum commented on the process.

Felisa Hagins, a representative from SEIU Local 49, said the process has been long and exhaustive. She said during the past 18 months, the Commission heard from numerous airport workers about the need for a set of minimum standards. She said the first draft of minimum standards came out in October 2014, at which time the Port reached out to stakeholders. She said since October, the Port Commission has discussed that plan almost every month since that time, and what is before the Commission today – the one pager – is the result of the more than two years of work. Ms. Hagins reviewed the pros and cons of the elements of the latest draft of the Workplace Initiative, as well as implementation and enforcement as we move forward. Commissioners Levy and Chamberlain asked questions of Ms. Hagins, and she responded.

Commissioner Chamberlain said that as President of Oregon AFL-CIO, he has a potential but not actual conflict and would participate in the discussion and vote.

Commissioner Bragdon said that as an Officer of Columbia Sportswear, and having a store at PDX that could be impacted by the Workplace Initiative, he has a potential but not actual conflict. He said he would participate in the discussion and vote.

Jim Waltz, a floating supervisor at World Duty Free, addressed the Commission regarding job duties; he said he deals with the realities of the decisions made by Port management. He discussed his working conditions, the high cost of health care and the retaliation he has experienced as a result of his organizing efforts. Commissioners Levy and Rosenbaum asked questions of Mr. Waltz, and he responded.

Darci Holmquist, a supervisor with HMS Host Starbucks, addressed the Commission regarding her job responsibilities, organizing efforts and her thoughts on the Workplace Initiative.

Matt Furshong, Vice President of UniteHere Local 8, said he thinks the process has been long and wishes it were further along. He discussed his thoughts about the revised Workplace Initiative. He also echoed the comments made earlier about the importance of transparency and accountability.

Steve McCoid, President of the Oregon Restaurant & Lodging Association, provided written testimony. He thanked the Commission for the changes that were made to the draft Workplace Initiative and provided his thoughts on the process. Commissioner Carter asked a question of Mr. McCoid, which he responded to.

Rick Brady of Restaurants Unlimited said he provided written comments to the Commission and had no additional comments to add.

Daniel Nguyen of Bambuza Restaurant addressed the Commission regarding the process. He said we need to stop posturing behind the various trade organizations and get something put together. He said everyone has the same common interests, and while he believes we are moving in the right direction, everyone would be more productive if the stakeholders worked together. Commissioner Carter asked Mr. Nguyen a question, and he responded. Commissioner Tsuruta provided comments.

Commissioner Tsuruta asked questions of Mr. Robinhold and Mr. Joly. Commissioner Levy thanked Port staff and those who took the time to testify. He voiced his concerns about the various elements of the Workplace Initiative. Commissioner Pearce asked a question and Ms. Leonard responded. Commissioner Carter gave staff direction as they move forward to work out the details of the Workplace Initiative. Staff's draft Implementation Details were distributed with the agenda and are attached as Attachment 2.

Commissioners Tsuruta and Chamberlain provided remarks about the process and the Workplace Initiative. Commissioner Carter summarized the process and public testimony and commented on the draft Workplace Initiative document. Commissioner Bragdon said he echoes Commissioner Carter's comments.

Commissioner Carter called for a motion to approve the Executive Director's recommendations. Commissioner Daggett moved that the Executive Director's recommendations be approved. Commissioner Pearce seconded the motion, which was put to a voice vote. Commissioners Bragdon, Carter, Chamberlain, Daggett, Pearce, Rosenbaum and Tsuruta voted in favor of the motion. Commissioner Levy voted against the motion.

Agenda Item No. 2

PUBLIC IMPROVEMENT CONTRACT – ECONOMY LOT BUS ROUTE REHABILITATION – PORTLAND INTERNATIONAL AIRPORT

This agenda item requested approval to award a public improvement contract to Kodiak Pacific Construction Co. for the Economy Lot Bus Route Rehabilitation project at Portland International Airport, in the amount of \$4,173,173.

Chris Edwards presented the Executive Director's recommendations as follows:

BE IT RESOLVED, That approval is given to award a public improvement contract for the Economy Lot Bus Route Rehabilitation project to Kodiak Pacific Construction Co., 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 Executive Director's recommendations. Commissioner Chamberlain moved that the Executive Director's recommendations be approved. Commissioner Bragdon seconded the motion, which was put to a voice vote. Commissioners Bragdon, Carter, Chamberlain, Pearce and Tsuruta voted in favor of the motion. Commissioners Daggett, Levy and Rosenbaum were not present for the vote.

Agenda Item No. 3

SECOND READING AND ENACTMENT OF PORT OF PORTLAND ORDINANCE NO. 450-R, AMENDING AND RESTATING PORT OF PORTLAND ORDINANCE NO. 351 (AS AMENDED AND RESTATED BY PORT OF PORTLAND ORDINANCE NO. 386-R, AS AMENDED AND RESTATED BY PORT OF PORTLAND ORDINANCE NO. 397-R, AS AMENDED AND RESTATED BY PORT OF PORTLAND ORDINANCE NO. 418-R, AS AMENDED AND RESTATED BY PORT OF PORTLAND NO. 432-R) TO REGULATE USE OF THE COMMERCIAL ROADWAY TO BEST SERVE THE NEEDS OF THE TRAVELING PUBLIC AT PORTLAND INTERNATIONAL AIRPORT

This agenda item requested a second reading and enactment of proposed Port of Portland Ordinance No. 450-R, amending and restating Ordinance No. 351, as amended and restated by Ordinance Nos. 386-R, 397-R, 418-R and 432-R, which pertain to regulation of the use and operation of the commercial roadway at the Portland International Airport.

BE IT RESOLVED, That Ordinance No. 450-R, amending and restating Ordinance No. 351 as amended and restated by Ordinance Nos. 386-R, 397-R, 418-R and 432-R, pertaining to regulation of the use and operation of the commercial roadway at Portland International Airport, be given a second reading by title only; and

BE IT FURTHER RESOLVED, That proposed Port of Portland Ordinance No. 450-R, in the form presented to the Commission, be enacted by a roll call vote

Michael Huggins read Ordinance 450-R by title only.

Commissioner Carter called for a motion to approve the Executive Director's recommendations to adopt Ordinance No. 450-R. Commissioner Bragdon moved that the Executive Director's recommendations be approved. Commissioner Chamberlain seconded the motion, which was put to a roll call vote. Commissioners Bragdon, Carter, Chamberlain, Pearce, Rosenbaum and Tsuruta voted in favor of the motion. Commissioners Daggett and Levy were not present for the vote.

Agenda Item No. 4

SECOND READING AND ENACTMENT OF PORT OF PORTLAND ORDINANCE NO. 451-R, AMENDING AND RESTATING PORT OF PORTLAND ORDINANCE NO. 349 (AS AMENDED AND RESTATED BY 412-R, AS AMENDED AND RESTATED BY PORT OF PORTLAND ORDINANCE NO. 439-R) SETTING FORTH A CONCESSION FEE AND RESPONSIBILITIES OF OFF-AIRPORT RENTAL CAR, PARKING LOT, PARK AND FLY AND STAY PARK AND FLY BUSINESSES AT PORTLAND INTERNATIONAL AIRPORT

This agenda item requested a second reading and enactment of proposed Port of Portland (Port) Ordinance No. 451-R, amending and restating Port Ordinance No. 349, as amended by Ordinance Nos. 412-R and 439-R, setting forth a concession fee and responsibilities of off-airport rental car, parking lot, park and fly, and stay park and fly businesses servicing customers of Portland International Airport.

BE IT RESOLVED, That Port of Portland Ordinance No. 451-R, amending and restating Ordinance 349 as amended by Ordinance Nos. 412-R and 439-R, setting forth a concession fee and responsibilities of off-airport rental car, parking lot, park and fly, and stay park and fly businesses servicing customers of Portland International Airport, be given a second reading by title only; and

BE IT FURTHER RESOLVED, That proposed Port of Portland Ordinance No. 451-R, in the form presented to the Commission, be enacted by a roll call vote

Scott Kilgo read Ordinance 451-R by title only.

Commissioner Carter called for a motion to approve the Executive Director's recommendations to adopt Ordinance No. 451-R. Commissioner Rosenbaum moved that the Executive Director's recommendations be approved. Commissioner Bragdon seconded the motion, which was put to a roll call vote. Commissioners Bragdon, Carter, Chamberlain, Pearce, Rosenbaum and Tsuruta voted in favor of the motion. Commissioners Daggett and Levy were not present for the vote.

Agenda Item No. 5

WORKFORCE PARTNERSHIP AGREEMENT – TERMINAL BALANCING CONCOURSE E EXTENSION – PORTLAND INTERNATIONAL AIRPORT

This agenda item requested approval of the recommendation that the Port of Portland (Port) require the Port's construction manager/general contractor on the Portland International Airport Terminal Balancing Concourse E Extension project to negotiate and enter into a Workforce Partnership Agreement binding on all contractors, subcontractors and labor unions for all trades on the project.

Greg Sparks presented the Executive Director's recommendations as follows:

WHEREAS, The Port of Portland recommends that the construction manager/general contractor on the Portland International Airport Terminal Balancing Concourse E Extension project be required to negotiate and enter into a Workforce Partnership Agreement binding on all contractors, subcontractors and labor unions for all trades on the project, provided that such agreement contains terms and conditions substantially in accordance with the terms presented in this agenda item; therefore

BE IT RESOLVED, That the recommendation set forth in the recital immediately above is approved; and

BE IT FURTHER RESOLVED, That the Port of Portland may take such action as is appropriate to obligate its construction manager/general contractor to timely cause a Workforce Partnership Agreement to be implemented on the Portland International Airport Terminal Balancing Concourse E Extension project, in accordance with this agenda item; and

BE IT FURTHER RESOLVED, That the Executive Director or his designee is authorized to execute all documents necessary to effect these resolutions on behalf of the Port of Portland Commission, in a form approved by counsel.

Commissioner Carter called for a motion to approve the Executive Director's recommendations. Commissioner Chamberlain moved that the Executive Director's recommendations be approved. Commissioner Rosenbaum seconded the motion, which was put to a voice vote. Commissioners Carter, Chamberlain, Levy, Pearce, Rosenbaum and Tsuruta voted in favor of the motion. Commissioner Bragdon and Daggett were not present for the vote.

Agenda Item No. 6

PERSONAL SERVICES CONTRACT AMENDMENT AND PUBLIC IMPROVEMENT CONTRACT – PHASE 2 – TROUTDALE REYNOLDS INDUSTRIAL PARK

This agenda item requested approval of two contract actions related to the Phase 2 Grading, Planting and Sundial Road, Graham Road and Swigert Way Improvements at Troutdale Reynolds Industrial Park:

- Design. Amendment of the existing personal services contract with Cardno, Inc. in the amount of \$583,243 for construction services; and
- Construction. Award of a public improvement contract to Goodfellow Bros., Inc. in the amount of \$17,441,434.92 for construction services.

Robin McCaffrey presented the Executive Director's recommendations as follows:

BE IT RESOLVED, That approval is given to amend the existing personal services contract with Cardno, Inc. for construction administrative support services for the Phase 2 Grading, Planting and Sundial Road, Graham Road and Swigert Way Improvements at Troutdale Reynolds Industrial Park, consistent with the terms presented to the Commission; and

BE IT FURTHER RESOLVED, That approval is given to award a public improvement contract to Goodfellow Bros., Inc. of Oregon for the construction of the Phase 2 Grading, Planting and Sundial Road, Graham Road and Swigert Way Improvements at Troutdale Reynolds Industrial Park, 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 Executive Director's recommendations. Commissioner Chamberlain moved that the Executive Director's recommendations be approved. Commissioner Levy seconded the motion, which was put to a voice vote. Commissioners Carter, Chamberlain, Levy, Pearce, Rosenbaum and Tsuruta voted in favor of the motion. Commissioner Bragdon and Daggett were not present for the vote.

GENERAL DISCUSSION AND PUBLIC HEARING

Fiscal Year 2016-2016 Proposed Budget and Economic Overview

Scott Drumm, Research & Strategic Analysis Program Manager, provided an overview of the economic trends that drive the Port's budget. He discussed the state and national trends, as well as international trade and the industry trends for marine, aviation and local industrial real estate.

Suzanne Kenny, Financial Manager, discussed the Portwide budget assumptions, reviewed the total Port operating revenues and expenses and provided a budget summary for aviation, marine and industrial development.

Ms. Kenny said the next step is to request approval to submit the budget to the Tax Supervising and Conservation Commission at the May 13, 2015 Commission meeting.

Public Hearing – Proposed Budget for Fiscal Year 2015-16

Commissioner Carter opened a public hearing for the purpose of taking testimony on the Port's Proposed Budget for Fiscal Year 2015-16.

Hearing no comments, Commissioner Carter closed the public hearing and noted that no action was required. The Fiscal Year 2015-16 proposed budget will be brought before the Commission at the May 13, 2015 meeting for action.

The meeting adjourned at 12:39 p.m.

President

Assistant Secretary

Date Signed

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PDX Workplace Initiative

Principles

April 7, 2015 (as adopted by Commission 4.8.15)

PDX is considered one of the best airports in America. We are proud of that. Our innovative programs such as local concessions, airport art and music, small business participation, local iconic brands that represent the region, street pricing, light rail access, convenient parking and rental cars, among others, set us apart and give PDX a decidedly Portland feel. Through this Initiative, we strive to fine tune the balance between what makes PDX exceptional for our customers and what will continue to make PDX a preferred place to work and do business. The Port's interest in adopting this Initiative is to maintain an environment at PDX that is safe, convenient and efficient airport for travelers and other visitors, free from service disruptions.

At the Port of Portland we believe that people are our greatest asset. Nowhere is this more evident than at Portland International Airport (PDX). Whether an employee works for the Port of Portland (Port) or one of the many contractors and concessionaires, everyone who works at the airport—from roadway to runway—"owns" the customer experience and works hard every day to create a comfortable, efficient and convenient environment for our visitors.

The Port believes that minimum compensation levels are best set by the state. Because the Port will implement this initiative on a contract-by-contract basis, requirements to increase minimum compensation will lead to uneven treatment. In contrast, an increase in the state minimum wage would ensure even treatment. While the Port is not adopting minimum compensation in this Initiative, the Port will be considering in the succeeding months ways it can further enhance the worker experience, focusing on those workers with the greatest need.

With this Initiative we hope to enhance the worker experience at PDX. Our goals are to remain a great place to do business and a highly desirable workplace, and our objective is to continue to provide an excellent working environment in terms of safety, security and opportunities for advancement and mutual success.

Through collaboration with all of our stakeholders we will seek to generate and make investments in innovative new approaches to attract and retain the very best airport workers and employers. We will continue to provide a work environment that offers a high level of satisfaction and enhances overall quality of life.

Upon adoption of this Initiative by the Port of Portland Commission, staff will draft rules or policies consistent with the Initiative to further clarify its implementation.

JOB PATHWAYS

Retention policy

The Port of Portland will establish the PDX Labor Pool for employees at the airport.

Airline Service Providers

- Successor Employer replacing a Large Employer (>50 FTE equivalent at PDX or 250 total) must hire 80 percent of their employee needs from the qualified candidates of the departing ASP employer for a minimum of 60 days.

Concessions

- Employees may enter the PDX Labor Pool. Concessionaires' hiring from the Pool is optional. Employers must interview three qualified candidates, if available. For every individual hired from the Pool, the employer is given an incentive payment of \$1,000 with \$500 of that going to the employee.

WORKER BENEFITS

Establish a PDX Worker Benefit Work Group

- Work with PDX employers and stakeholders to generate and make investments in innovative new approaches to attract and retain the very best airport workers.

EMPLOYEE-EMPLOYER RELATIONSHIPS

Employee-Employer Relationships

Contracts with the Port at PDX will require the employer to submit a specific written plan on how it will maintain a positive working relationship with its employees.

- The plan may include any agreement the employer has with its employees, as well as programs the employer uses to maintain a positive relationship with its employees, such as compensation plans, benefit offerings, incentive programs, education and training programs, advancement opportunities, etc.
- The plan may be made publically available.
- The contract will allow the Port to take action, up to and including terminating the contract, in the event of the employer's repeated, serious failures, in the discretion of the Port and as limited by applicable law, to adhere to its plan.

DRAFT – PDX Workplace Initiative

Implementation Details

April 7, 2015

PDX is considered one of the best airports in America. We are proud of that. Our innovative programs such as local concessions, airport art and music, small business participation, local iconic brands that represent the region, street pricing, light rail access, convenient parking and rental cars, among others, set us apart and give PDX a decidedly Portland feel. Through this Initiative, we strive to fine tune the balance between what makes PDX exceptional for our customers and what will continue to make PDX a preferred place to work and do business. The Port's interest in adopting this Initiative is to maintain an environment at PDX that is safe, convenient and efficient airport for travelers and other visitors, free from service disruptions.

At the Port of Portland we believe that people are our greatest asset. Nowhere is this more evident than at Portland International Airport (PDX). Whether an employee works for the Port of Portland (Port) or one of the many contractors and concessionaires, everyone who works at the airport—from roadway to runway—"owns" the customer experience and works hard every day to create a comfortable, efficient and convenient environment for our visitors.

The Port believes that minimum compensation levels are best set by the state. Because the Port will implement this initiative on a contract-by-contract basis, requirements to increase minimum compensation will lead to uneven treatment. In contrast, an increase in the state minimum wage would ensure even treatment. While the Port is not adopting minimum compensation in this Initiative, the Port will be considering in the succeeding months ways it can further enhance the worker experience, focusing on those workers with the greatest need.

With this Initiative we hope to enhance the worker experience at PDX. Our goals are to remain a great place to do business and a highly desirable workplace, and our objective is to continue to provide an excellent working environment in terms of safety, security and opportunities for advancement and mutual success.

Through collaboration with all of our stakeholders we will seek to generate and make investments in innovative new approaches to attract and retain the very best airport workers and employers. We will continue to provide a work environment that offers a high level of satisfaction and enhances overall quality of life.

Upon adoption of this Initiative by the Port of Portland Commission, staff will draft rules or policies consistent with the Initiative to further clarify its implementation.

Definitions and Descriptions

"Employee-Employer Relationships Plan" refers to a PDX Employer's specific written plan provided to the Port on how the PDX Employer will maintain a positive working relationship with its employees to prevent disruptions of services at PDX. The Employee-Employer Relationships Plan may include any agreement the employer has with its employees, as well as programs the employer uses to maintain a positive relationship with its employees and prevent disruptions of services at PDX, such as compensation plans, benefit offerings, incentive programs, education and training programs, advancement opportunities, employer-employee communications strategies, etc. The employer may

respond to the questions on attached Exhibit A, which specifically addresses possible approaches for avoiding poor relationships with its employees.

“Large ASP Employers” in this Initiative refers to PDX Employers who are airline subcontracted service providers with either (a) 50 or more full time equivalent employees (FTE) at PDX, or (b) 250 or more FTE total employees.

“PDX Employee” in this Initiative refers to an employee of a PDX Employer.

“PDX Employer” in this Initiative refers to a PDX terminal concessionaire or certain airline subcontracted service providers as determined by Port staff. PDX Employer does not include (a) companies who have entered into a collective bargaining agreement (CBA) with their employees at PDX and who have clearly evidenced in the CBA that they wish to be exempted either from the Initiative or certain provisions of the Initiative, or (b) other PDX terminal employers such as (i) airlines, (ii) entities airlines own or control, (iii) federal agencies, (iv) the Port of Portland, (v) construction contractors, or (vi) other contractors who do work at PDX only from time to time.

“PDX Labor Pool” refers to a list compiled by the Port of PDX Laid-Off Employees. The purpose of the PDX Labor Pool is to provide a mechanism for assisting retention of PDX Laid-off Employees at PDX. To remain in the PDX Labor Pool, PDX Laid-off Employees must adhere to the reasonable requirements of the Port in terms of providing the Port with information, including but not limited to, current contact and qualifications information, updating such information as requested by the Port, applying for jobs, and attending job fairs. PDX Laid-off Employees may stay in the PDX Labor Pool for six months. PDX Laid-off Employees will be matched with positions for which they are qualified with PDX Employers offering such positions as described herein. The Port may outsource the administration of the PDX Labor Pool to ensure consistent application and objectivity. The Port makes no representations or warranties regarding PDX Laid-off Employees in the PDX Labor Pool; determination of fitness for employment rests solely with the applicable PDX Employer. PDX Employers will be encouraged to provide clear descriptions of the qualifications for each position to aid evaluation of qualified candidates.

“PDX Laid-off Employee” in this Initiative refers to a PDX Employee in good standing with a PDX Employer who is laid off.

“Successor ASP Employer” in this Initiative refers to a Large ASP Employer that (a) replaces a Large ASP Employer at PDX, and (b) provides substantially similar services in the same area of PDX within 30 days of cessation of operations by the departing Large ASP Employer. PDX Employees hired by a Successor ASP Employer as required below may only be terminated for just cause during the first 60 days of employment. Thereafter, their employment will be at will.

Worker Benefits

Integral to ensuring that work at PDX remains desirable is PDX Employees’ access to innovative programs that offset cost and/or encourage career development. Therefore, the Port of Portland will:

1. Create an employer consortium for eligible PDX Employees to extend the Tri-Met annual pass benefit. This action would create a significant benefit, which could be offered to PDX Employers to provide annually to their PDX Employees. This would include the added value of reducing the PDX carbon footprint.
 - Implementation timeline: Estimated 6-12 months

2. Collaborate with PDX Employers and stakeholders to generate and make investments in innovative new approaches to attract and retain the very best airport workers.
 - Implementation timeline: Estimated July 2015 action with program to follow

Job Pathways

To fully achieve the goal of PDX being a workplace of choice, PDX Employees need opportunities for career development. Information resources, events and apprentice programs will help current and future PDX Employees learn, grow, succeed and pursue positions that expand their career prospects. In addition, the airport's workforce and business outreach must extend equal opportunity to all individuals. Small businesses and those owned by minorities and women should see PDX as an opportunity-rich environment to compete for goods and/or services contracts. The Port's robust minority contracting programs will be enhanced and the Port's larger business partners will be encouraged to meet greater levels of minority participation in sub-contracted work.

The ongoing pursuit of advancing workers through any number of job pathways at the airport and diversifying the business owners therein will greatly benefit airport customers and the community. Therefore, the Port of Portland will:

Regarding all PDX Employers

1. Contracts entered into between the Port and all PDX Employers on or after the adoption of this Initiative by the Port of Portland Commission must contain a commitment from the PDX Employer to make a good faith effort to consider hiring each new employee hired on or after September 1, 2015, from the PDX Labor Pool, and only after making such good faith effort may the PDX Employer hire each such new employee from outside the PDX Labor Pool. For purposes of this provision, the "good faith effort" requirement will be met if the PDX Employer (a) hires an individual from the PDX Labor Pool, or (b) interviews not fewer than three individuals from the PDX Labor Pool who are qualified for each such job, unless fewer qualified individuals are available, in which case the PDX Employer will interview all available qualified individuals.

This good faith effort requirement does not apply in the event a PDX Employer is (a) hiring a family member or immediate relative as defined by the U.S. Office of Personnel Management, or (b) transferring an existing employee from another location operated by such PDX Employer. In addition, in the event a PDX Employer is opening its first or a new location at PDX, up to 20 percent of the staff for the first or new location may be transferred from the PDX Employer's other location(s), if any, without meeting the good faith effort requirement above, to ensure business continuity.

In the event a PDX Employer hires a full-time equivalent employee from the PDX Labor Pool and such employee remains employed with the PDX Employer for six months from the date of hire, the Port will pay to the PDX Employer \$1,000, \$500 of which the PDX Employer agrees promptly to pay as a bonus to the PDX Employee hired from the Labor Pool and \$500 of which may be used by the PDX Employer for any purpose. The amount of the payment will be prorated for part time hires.

- Implementation timeline: September 2015
2. Serve as a resource for information about job opportunities within PDX and related fields. Jobs posted could include postings from the concessionaires, airline service providers, and other

appropriate listings. This could include an online presence and a physical presence in the PDX Conference Center, with a computer and other printed materials available to all employees.

- Implementation timeline: May 2015
3. Continue the Port's Mentor/Protégé Program to build working relationships between leaders of mature, established companies and targeted emerging minority-owned and women-owned companies.
 - Implementation timeline: In place
 4. Continue to promote and seek to increase opportunities for minority-owned and women-owned small business to serve as contractors at PDX, operate as concessionaires at PDX or provide goods and/or services related to the airport concession program through the Disadvantaged Business Enterprise (DBE) Program and the Airport Concessions Disadvantaged Business Enterprise (ACDBE) Program.
 - Implementation timeline: In place
 5. Continue to require that all PDX contracts, concessions and procurement opportunities that are processed through the Port procurement process make good faith efforts to include Disadvantaged, Minority, Women and Emerging Small Businesses in Port related business opportunities. Our FY 2014-15 overall goal for small business participation is 10% of contract dollars awarded directly and as subcontracts.
 - Implementation timeline: In place
 6. Continue to require all PDX contractors provide on-the-job training opportunities for approved and registered apprentices on construction projects over \$500,000 with an overall target for registered apprentice participation at 15% of total labor hours.
 - Implementation timeline: In place
 7. Implement new electrician apprenticeship program with IBEW.
 - Implementation timeline: Spring - Summer 2015

Regarding Successor ASP Employers of Large ASP Employers

Contracts entered into between the Port and a Successor ASP Employer on or after the adoption of this Initiative by the Port of Portland Commission must contain a commitment from the Successor ASP Employer to hire employees it needs for its operations at PDX from the employees of the Large ASP Employer being replaced that are qualified to fill the jobs offered by the Successor ASP Employer. The Successor ASP Employer must define the qualifications for each job being offered, including, without limitation, specific experience, training and requirements. Only in the event there are insufficient such qualified persons, as determined in good faith by the Successor ASP Employer, may the Successor ASP Employer hire each such new employee from the PDX Labor Pool or outside the PDX Labor Pool. When more than one qualified candidate is available, the Successor ASP Employer may interview any number of the qualified candidates. Displaced employees who are not hired by the Successor ASP Employer may join the PDX Labor Pool.

In the event there is a dispute as to whether or not a particular candidate is qualified for the position offered by the Successor ASP Employer, the matter may be referred to the Port's Director of Human Resources, or the Port may refer this decision to an appropriate outside service provider, for a final determination that shall be binding on all concerned. This binding determination pertains solely to job

qualifications and is based solely on information before the decision maker. The Port makes no representations or warranties regarding employees of the Large ASP Employer; determination of fitness for employment, other than qualifications before the decision maker, rests solely with the Successor ASP Employer.

This hiring requirement provision does not apply in the event a Successor ASP Employer is (a) hiring a family member or immediate relative as defined by the U.S. Office of Personnel Management, or (b) transferring up to 20 percent of the needed employees from the Successor ASP Employer's other location(s), if any, to ensure business continuity.

- Implementation timeline: September 2015

Employee-Employer Relationships

The Port of Portland is aware that decisions regarding labor organizing remain with the employees and employer. The unique nature of the work at PDX necessitates an ongoing, disruption-free environment to serve airport customers. The Port will remain neutral regarding union organizing, and we believe early communication and planning between the employer and employees are keys to the success of all parties. Therefore, the Port of Portland will:

1. Require contracts entered into between the Port and PDX Employers on or after the date this Initiative is adopted by the Port of Portland Commission provide that the PDX Employer must submit a specific written plan to the Port on how it will maintain a positive working relationship with its employees. The plan may include any agreement the PDX Employer has with its PDX Employees, as well as programs the PDX Employer uses to maintain a positive relationship with its PDX Employees, such as compensation plans, benefit offerings, incentive programs, education and training programs, advancement opportunities, etc. The PDX Employer may respond to the questions on attached Exhibit A, which specifically addresses possible approaches for avoiding poor relationships with its PDX Employees. As required by applicable public records law, the plan may be made publically available if a public records request is made. Accordingly, you should be aware that the description of your plan will not be confidential. You should not include information you consider proprietary. The contract will allow the Port to take action, up to and including termination of the contract, in the event of the PDX Employer's repeated, serious failures, in the discretion of the Port and as limited by applicable labor, employment and other laws, to adhere to its plan.
 - Implementation timeline: September 2015
2. Continue to require project-specific evaluations of whether a Workforce Partnership Agreement or other type of Project Labor Agreement (PLA) (as defined in Port Commission Policy 6.1.15) would be beneficial for construction contracts over \$25,000,000 at PDX, requiring Port management to analyze each evaluation and make a determination on the merits.
 - Implementation timeline: In place
3. Remain neutral regarding union organizing, respecting the employee and employers' rights.
 - Implementation timeline: In place
4. Consistent with applicable law, Port staff will develop a forum for resolving issues related to PDX Employer contract violations.
 - Implementation timeline: tbd

Standardized Permitting/Contracting (Safety, Worker Rights and Recommendations)

The Port of Portland's goal to remain a workplace of choice for all employees at PDX can only be achieved in an environment where employees feel safe to voice their concerns about potential violations without fear of retaliation. The Port will work to ensure that every employee fully understands his or her rights and has a way to safely and confidentially communicate concerns. In addition, the Port will work with employers to help ensure compliance.

Attracting and retaining the very best employees at PDX requires all parties to work closely with clarity of vision and intent. The Port of Portland seeks to work with current and prospective PDX Employers to be innovative. Through new operating contracts and selection criteria the Port will work to ensure its PDX Employers provide the best possible working conditions where PDX Employees can thrive and succeed.

The Port of Portland prioritizes the safety of airport workers and customers above all other goals. While many workers are not employees of the Port, this safety-focused culture must extend to all employers operating at PDX. Our focus in this Initiative is to promote a genuine and lasting interest in safety and health among employers with actionable requirements and training opportunities.

Therefore, the Port of Portland will:

1. Ensure Port contracts contain language requiring contractors to abide by all applicable local, state and federal laws and regulations in operating at PDX. Specifically, revise future Port operating agreements with PDX Employers to require the PDX Employer to comply with (among other applicable laws and regulations) all laws, regulations and policies concerning employer retaliation against individuals who engage in legally-protected reporting conduct and labor activity. Revise future Port operating agreements with PDX Employers to allow the Port, in its reasonable discretion and as limited by applicable health and safety, labor and employment, and other laws, to take action, up to and including termination of the contract, in cases of serious and continuing violations of applicable laws and regulations, after thirty (30) days written notice.
 - Implementation timeline: September 2015
2. Support public health authorities in providing training to avoid potential PDX employee exposure to hazardous or toxic substances or diseases.
 - Implementation timeline: In place
3. Provide information to PDX Employees on whistleblower protection laws. Publish and distribute whistleblower contact numbers for various agencies. Require PDX Employers to submit annual reports on violations of applicable laws.
 - Implementation timeline: September 2015
4. Revise future Port agreements with PDX Employers to require the PDX Employer to submit for the Port's review a written plan detailing the minimum level of working conditions the PDX Employer will maintain for its PDX Employees. The plan may include compensation plans, benefit offerings, incentive programs, education and training programs, advancement opportunities, etc. PDX Employers may use their response to question 1 of attached Exhibit A to meet this plan requirement if they wish. The contract will include termination provisions for serious, repeated failure, in the discretion of the Port discretion and as limited by applicable labor, employment and other laws, to comply with the minimum level plan provided by the PDX Employer. As required by applicable public records law, the plan may be made publically

available if a public records request is made. Accordingly, you should be aware that the description of your plan will not be confidential. You should not include information you consider proprietary.

- Implementation timeline: 2015
5. Enhance RFP criteria for evaluating/scoring concessions proposals to include not less than 20 percent of the total score based on items such as an Employee-Employer Relationships Plan, wages and benefits, quality of safety training, and career development programs.
 - Implementation timeline: next PDX Concession RFP
 6. Revise future Port agreement with PDX Employers to encourage employers to consider providing sufficient hours for as many PDX Employees as possible to maintain eligibility for benefits provided by the PDX Employer or required by law.
 - Implementation timeline: next PDX Concession RFP

Limitations on the Initiative

This Initiative is subject to all applicable statutes, laws, regulations and the like. This Initiative is not intended to, and shall not be interpreted to, enact or express any generally applicable policy regarding labor-management relationships or to regulate those relationships in any way. This Initiative is not intended to favor any outcome in PDX Employees' determination regarding union representation. If any provision in this Initiative, or the application of this Initiative to any person or circumstance, is held invalid, that invalidity shall be severable and not affect any other provision or application of this Initiative that can be given effect without the invalid provision.

Exhibit A

Employee-Employer Relationships Plan

In order to ensure safe, efficient operations at PDX, the Port of Portland and the public are interested in each PDX Employer's plan for maintaining a positive relationship with its workforce. Maintaining a positive relationship with workers is important for keeping PDX among the best airports in the United States and for preventing disruptions of services at PDX. A plan for maintaining a positive relationship with workers can take many forms and may be based on myriad approaches. We request that you describe your approach and your plan, responding to the issues below. You may supplement the responses below with any agreement or other plan details you wish to provide. As required by applicable public records law, all agreements and plan details may be made available to the public if a public records request is made. Accordingly, you should be aware that the description of your plan will not be confidential. You should not include information you consider proprietary.

1. What compensation plans, benefit offerings, incentive programs, education and training programs, advancement opportunities, etc. do you offer your employees?
2. Does your company have a collective bargaining agreement with a labor union representing your work force?
3. Please describe your company's approaches to the following issues:
 - a. Maintaining positive relationships with your employees to prevent disruption of services at PDX.
 - b. Communications between employees and management.
 - c. Resolving disputes between employees and management.
4. Please describe any other plans or approaches your company is committed to for purposes of maintaining a positive relationship with you workers to prevent disruption of services at PDX.