

**MINUTES
REGULAR COMMISSION MEETING
THE PORT OF PORTLAND
August 8, 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; Ken Allen; Steve Corey; Bruce Holte; Mary Olson; Paul Rosenbaum; Bill Thorndike; Junki Yoshida and Grant Zadow. Also present were Bill Wyatt, Executive Director; participating staff members; and representatives of the public.

MINUTES

Commissioner Johansen called for a motion to approve the minutes of the Regular Commission Meeting of July 11, 2007. Commissioner Allen moved to approve the minutes. Commissioner Zadow seconded the motion, which was put to a voice vote. Commissioners Allen, Corey, Holte, Johansen, Olson, Rosenbaum, Thorndike, Yoshida and Zadow voted in favor of the motion.

EXECUTIVE DIRECTOR'S REPORT

Mr. Wyatt said the opening of IKEA was a success and came off without a hitch, owing to the tremendous efforts of Port staff. He said a concern regarding the Cascade Station development has been whether the traffic generated by the retail activity would impede traffic on Airport Way. Traffic engineers and staff predicted this would not be the case when they first developed the amended planned district. Mr. Wyatt said there has been no indication that Cascade Station bound traffic has impeded traffic flow on Airport Way.

Mr. Wyatt said the Port would be hosting a dinner for the Chinese Ambassador to the United States, his Excellency Zhou Wenzhong. He said this is more evidence that the State of Oregon's and the Port's relationship with China as a global trading partner is growing.

Mr. Wyatt said it has been an extraordinary month in the history of the Port's art collection. The controversy around the PDX artwork that was part of the rotating Art in Oregon Schools exhibit on Concourse A attracted the attention of some concerned citizens, which sparked a debate. Mr. Wyatt said the Port would continue to display the artwork. He said we are currently working with the Regional Arts and Culture Council to review the program in preparation for the next exhibit to be installed in November.

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

CONSENT AGENDA

No presentation was made of the following agenda item, which was brought before the Commission as part of the Consent Agenda. Commissioner Johansen read the title of the agenda item and called for a motion to approve the item.

Agenda Item No. 1

CONSENT TO CITIES OF FAIRVIEW/TROUTDALE ENTERPRISE ZONE APPLICATION

BE IT RESOLVED, That the Port of Portland Commission consents to application by the Cities of Fairview and Troutdale for the Fairview/Troutdale Enterprise Zone located within 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.

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

ACTION ITEMS

Agenda Item No. 2

FISCAL YEAR 2006-2007 EXECUTIVE DIRECTOR PERFORMANCE REVIEW AND FISCAL YEAR 2007-2008 EXECUTIVE DIRECTOR PERFORMANCE CRITERIA

This agenda item requested approval of the Fiscal Year 2006-2007 Executive Director Performance Review.

Commissioner Johansen said she would present the 2006-2007 performance review but preferred to hold off on the 2007-2008 performance criteria until the updated strategic plan is finalized in October.

Commissioner Johansen reviewed the process that led to Mr. Wyatt's review. She said she consulted with all Commissioners on the outcome of the review and noted that the Commission officers were charged with making the formal rating recommendation, salary adjustment and bonus.

Commissioner Johansen said it has been a very good year with sustained progress on our strategic plan. She said we have weathered a few storms quite well and have had some significant achievements.

Commissioner Johansen highlighted Mr. Wyatt's accomplishments relative to the Port's strategic objectives: Leadership, Competitive Maritime Access, Land for Logistics, Efficient Rail Capacity, Air Service to Key Markets, Trade-related Infrastructure, Enhanced Security, Stakeholder Relationships, Integrated Environmental Performance, People and Tools, Customer Focus and Financial Viability.

Commissioner Johansen asked that Mr. Wyatt continue his focus on developing successful intermodal container lines, bring the Reynolds property acquisition to closure and to continue the progress we are making on the environmental issues.

Commissioner Johansen said the Port has had a great year and the Commission is pleased to have the opportunity to award employees the bonus discussed at the last Commission meeting. She said that because of Mr. Wyatt's many accomplishments, the Commission Officers have concluded Mr. Wyatt will receive an "Exceptional" performance rating, a seven percent salary increase, and a bonus of up to ten percent, based on the audited financials.

Commissioner Johansen said the basis for the seven percent salary increase is to move Mr. Wyatt toward the median compensation of approximately \$320,000, as determined by the Port's own survey and an extensive survey performed on our behalf by Watson Wyatt and Mercer.

Commissioner Johansen asked for a motion and second to approve the salary increase, bonus and performance rating for the Executive Director.

Commissioner Rosenbaum moved that the Commission President's recommendations be approved. Commissioner Corey seconded the motion, which was put to a voice vote; Commissioners Allen, Corey, Holte, Johansen, Olson, Rosenbaum, Thorndike, Yoshida and Zadow voted in favor of the motion.

Commissioner Johansen deferred adoption of the Fiscal Year 2007-2008 Executive Director Performance Criteria.

Mr. Wyatt said he appreciates the performance review and the manner in which it is conducted. He said his performance review is a report card on the Port itself and the accomplishments have many hands and fingerprints on them. Mr. Wyatt said the aspect of the performance review which he feels the strongest about relates to people and tools. He said at the end of the day, it is not about the buildings or runways; it is about the people of the Port because they are the ones who make all that we do possible. Mr. Wyatt also said he is extremely pleased with his team of direct reports. Mr. Wyatt said we have an exceptional group of people at the Port and it is a pleasure to be among them.

Agenda Item No. 3

PERSONAL SERVICES CONTRACT – IN-LINE BAGGAGE SCREENING IMPROVEMENTS – PORTLAND INTERNATIONAL AIRPORT

This agenda item requested approval of an amendment to the Hoffman Construction preconstruction services contract for the early purchase of electrical equipment for the In-Line Baggage Screening Improvements Project at Portland International Airport.

Stan Snyder presented the Executive Director's recommendations as follows:

BE IT RESOLVED, That the Port of Portland Commission approves an amendment to the existing preconstruction services contract with Hoffman Construction for the purchase of electrical equipment in accordance with terms presented to the Commission; and

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

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

The meeting adjourned at 10:05 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.