

**MINUTES  
REGULAR COMMISSION MEETING  
THE PORT OF PORTLAND  
February 8, 2012**

In response to due notice, the regular meeting of the 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.

**QUORUM**

Commissioners present were Judi Johansen, President, presiding; Ken Allen; Peter Bragdon; Jim Carter; Tom Chamberlain; Steve Corey; Diana Daggett; Bruce Holte and Paul Rosenbaum. Also present were Bill Wyatt, Executive Director; participating staff members; and members of the public.

Commissioner Johansen noted effective February 9 Commissioner Allen will be resigning to devote more time to The Oregon Health Insurance Exchange. She expressed her gratitude for his service and appreciation for everything he has done during his seven years on the Port Commission. Commissioner Allen thanked everyone. He praised Bill Wyatt as executive director and called the Port staff "top notch and professional."

**MINUTES**

Commissioner Johansen called for a motion to approve the minutes of the Regular Commission Meeting of January 11, 2012. Commissioner Daggett moved to approve the minutes. Commissioner Corey seconded the motion, which was put to a voice vote. Commissioners Allen, Bragdon, Carter, Chamberlain, Corey, Daggett, Holte, Johansen and Rosenbaum voted in favor of the motion.

**EXECUTIVE DIRECTOR'S REPORT**

Bill Wyatt said for those new to the Commission meeting, the official Executive Directors' report is attached to the board packet that was sent out last week.

Mr. Wyatt said he has known Commissioner Allen longer than anyone in the room. He related that they first began working together at the Oregon State Employees Association and have had a long personal association since then. Mr. Wyatt said Commissioner Allen has provided a really good voice and perspective for us on public sector labor issues. Mr. Wyatt said he is glad to support Commissioner Allen in his new role. Organizations like the Port cannot sustain the current 10-15 percent increases annually in health care costs, so the work of the exchange will be incredibly important in helping to address that. Mr. Wyatt said the Governor is fortunate to have Commissioner Allen in his new role with the exchange but noted that he will be missed at the Port.

Mr. Wyatt said he will shortly be sending a communication to the organization that effective February 9, 2012, Vince Granato will become the Chief Operating Officer and Sam Ruda will become the Chief Commercial Officer. Mr. Wyatt said under the reorganization, this means we will no longer have a marine director or an aviation director. He said until a CFO is hired Mr. Granato will continue dual responsibilities. Mr. Wyatt said he is very excited about the reorganization. He called it "a new era for the Port and one that will position us well in a very uncertain world."

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With regard to business performance, Mr. Wyatt said the year-end numbers are looking very good. He noted that for the second year in a row, the Port handled tonnage equal to its third best year on record. He said this tonnage represents the total volume of all cargo that travels through the Port.

Mr. Wyatt announced that the Port is now officially exporting Ford vehicles made in the U.S. to Korea, due partly to the Korea Free Trade Agreement. He said Ford is exporting their full product line, which bodes well for the Port and the U.S. auto industry.

Mr. Wyatt said PDX finished 2011 with 13,675,924 passengers, an increase of 3.7 percent over 2010. He said the news here is that not every airport in the country had an increase in passenger volumes. This indicates not only increases for Port revenue from parking and concessions, but is more generally a good indicator for improvement to our regional economy. Mr. Wyatt said we are forecasting a small increase in passenger volumes for the year ahead, barring of course some unknown global threat beyond our control.

Mr. Wyatt noted we would be thinning trees along Airport Way in order to improve the health of the landscaping while bringing our tree plantings closer to compliance with landscaping standards. He said the work will be completed by mid-March, which will avoid any conflicts with the requirements of the Federal Migratory Bird Treaty Act.

Mr. Wyatt said on the marine side, we are seeing improvements. He said the container operation has gone well on all fronts and ICTSI is fully engaged and fully in control in the management of Terminal 6. Mr. Wyatt said aside from containers, most other cargo categories stayed flat or showed minor decreases. He said grain remained essentially unchanged at 4.7 million tons and breakbulk dipped 2.6 percent with 941,120 tons.

Mr. Wyatt said last week was the final week of work for the Dredge Oregon crew. He this was a particularly long season on the river and despite a later start, the Army Corps deployed the Dredge Oregon for an additional two weeks of work in the St. Helens area to remove sediment from last year's strong flow.

Mr. Wyatt noted the labor challenges in Longview have essentially been resolved. EGT, the owner of the new grain terminal, and the ILWU have come to terms and are negotiating the details of an agreement.

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, Bragdon, Carter, Chamberlain, Corey, Daggett, Holte, Johansen and Rosenbaum voted in favor of the motion.

## **GENERAL DISCUSSION**

### **Port Safety Program Update**

Andrea Marzette, Bill Wyatt, Sam Ruda and Stan Watters led a discussion on the Port's safety program. Mr. Wyatt began by acknowledging the role of the Commission and the Commission President for highlighting the importance of safety to the organization. Ms. Marzette provided a brief overview of the safety incidents and work compensation claims for 2011 and the impact to

the organization in terms of dollars spent on medical care and wages paid while the worker is away from work. She said the statistics are not trending in the direction that we are striving for and she believes we are dealing with systemic issues that include long-standing habits, beliefs and procedures. She said some workers value production and customer service over safety, which can lead them to believe that it is okay to take risks or short cuts to save or make up time.

Mr. Wyatt discussed the steps being taken throughout the organization as a whole to improve our safety record. He said each incident is reviewed monthly by the Director group to discuss what happened and why, and to discuss opportunities to make the obvious needed changes in the work, equipment, work methods or training. He said the Port made significant strides in addressing safety in our goals and performance metrics and we will further make the connection between safety and wellness in the formulation of a new wellness initiative.

Mr. Ruda discussed the initiatives being implemented in Marine and Industrial Development, Mr. Wyatt discussed the initiatives being implemented in Aviation and Mr. Watters discussed the initiatives being implemented in Navigation.

Ms. Marzette said going forward we will be making our safety strategy and safety goals prominent and visible and we will continue implementing SHARP to help us build our desired culture.

Commissioner Holte said the ILWU's number one priority is safety. He said workers need to be reminded every day how important safety is because while they understand the dangers of the job, they are focused on getting the job done. He said he appreciates everything the Port is doing to keep its workforce safe and keeping safety in the forefront of everyone's mind.

## **ACTION ITEMS**

### **Agenda Item No. 1**

#### **2012 PORT OF PORTLAND TRANSPORTATION IMPROVEMENT PLAN**

This agenda item requested approval of the Port of Portland's (Port) Transportation Improvement Plan (PTIP). As a transportation agency reliant on elements of the transportation system developed and managed by others to support our mission, the Port must carefully plan, consider funding initiatives and support projects that will enhance market access for Port customers and businesses in this region and state. The Port Commission considers the PTIP annually as the basis for charting our transportation improvement needs and funding requirements.

Susie Lahsene presented the Executive Director's recommendations as follows:

BE IT RESOLVED, That approval is given to submit the Port of Portland's Transportation Improvement Plan to Metro and the Oregon Department of Transportation for inclusion in the Regional Transportation Plan to be eligible for future state, regional, and federal funding; and

BE IT FURTHER RESOLVED, That approval is given to seek federal, state and regional transportation funds for the list of Port Priority Projects identified in the draft Port Transportation Improvement Plan.

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Commissioner Johansen called for a motion to approve the Executive Director's recommendations. 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, Carter, Chamberlain, Corey, Daggett, Johansen and Rosenbaum voted in favor of the motion. Commissioners Bragdon and Holte were not present for the vote.

## Agenda Item No. 2

### CONTRACT – BUDGET APPLICATION REPLACEMENT

This agenda item requested approval to award a contract to Longview Solutions for purchase, implementation and support for a new budget, planning and forecasting application at the Port of Portland (Port). This purchase will replace the Port's current budget application, Cognos Budget Enterprise Planning System, which is aging, unreliable and no longer supported by the vendor.

Scott Fresvik presented the Executive Director's recommendations as follows:

BE IT RESOLVED, That approval is given to award a contract to Longview Solutions for the purchase and implementation of a new budget, planning, forecasting application at the Port of Portland, in accordance with their proposal; 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 Johansen called for a motion to approve the Executive Director's recommendations. Commissioner Carter moved that the Executive Director's recommendations be approved. Commissioner Rosenbaum seconded the motion, which was put to a voice vote. Commissioners Allen, Bragdon, Carter, Chamberlain, Corey, Daggett, Holte, Johansen and Rosenbaum voted in favor of the motion.

## Agenda Item No. 3

### AUTHORIZATION TO APPLY FOR FOREIGN TRADE ZONE SUBZONE AUTHORITY FOR SHIMADZU USA MANUFACTURING, INC.

This agenda item requested authorization for the Port of Portland's (Port) executive director or his designee to sign an application on behalf of the Port for the approval, from the U.S. Foreign Trade Zone (FTZ) Board, to assign subzone authority for Shimadzu USA Manufacturing, Inc. (Shimadzu) in Canby, Oregon. Shimadzu manufactures scientific analytical instrumentation, precision machined and fabricated parts and provides research and development services to the U.S. market. Establishing FTZ subzone status for Shimadzu's manufacturing operations is consistent with the Port's role as a FTZ grantee and is expected to allow Shimadzu to realize economic benefits and encourage their retention, expansion and investment in the region.

Teresa Carr presented the Executive Director's recommendations as follows:

BE IT RESOLVED, That the Port of Portland Commission authorizes the submission of an application for a grant of authority, from the U.S. Foreign Trade Zones Board, to establish a special-purpose subzone with manufacturing authority for Shimadzu USA Manufacturing, Inc.; and

BE IT FURTHER RESOLVED, That the Executive Director or his designee is authorized to execute all necessary documents to carry out the foregoing resolution, including but not limited to the subzone application, on behalf of the Port of Portland Commission in a form approved by counsel.

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

The meeting adjourned at 11:18 a.m.

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President

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Assistant Secretary

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Date Signed

An audio recording of these proceedings and the full Commission agenda is available by contacting the Port of Portland administrative offices, 7200 N.E. Airport Way, Portland, Oregon 97218.

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