

AGENDA
The Port of Portland
Regular Commission Meeting
March 14, 2007
9:00 a.m.

Minutes

Approval of Minutes: Regular Commission Meeting – February 14, 2007

Executive Director

Approval of Executive Director's Report – February 2007

Action Items

1. EMERGENCY READING AND PUBLIC HEARING – ORDINANCE NO. 418-R AMENDING ORDINANCE NO. 397-R TO COMPLY WITH HOMELAND SECURITY AVIATION SECURITY DIRECTIVE 1542-04-080 REGULATING OPERATIONS ON THE COMMERCIAL ROADWAY AT PORTLAND INTERNATIONAL AIRPORT *DAREN GRIFFIN*

Requests approval to amend Ordinance No. 397-R to comply with the Homeland Security Aviation Security Directive.

- Public Hearing – Ordinance No. 418-R

2. CONTRACT – APPOINTMENT OF INDEPENDENT AUDITOR *ROBERT BURKET*

Requests approval to enter into a five-year contract to conduct required independent audits of the Port of Portland's financial records.

General Discussion

Safety Management System – Presented by Andrea Marzette and Michael Wood

EMERGENCY READING AND PUBLIC HEARING – ORDINANCE NO. 418-R AMENDING AND RESTATING ORDINANCE NO. 397-R TO COMPLY WITH HOMELAND SECURITY AVIATION SECURITY DIRECTIVE 1542-04-08 AND REGULATING OPERATIONS ON THE COMMERCIAL ROADWAY AT PORTLAND INTERNATIONAL AIRPORT

March 14, 2007

Presented by:

Daren Griffin
General Manager
Airport Operations

EXECUTIVE SUMMARY

Ordinance No. 418-R amends and restates Ordinance No. 397-R to eliminate the Portland International Airport (PDX) Commercial Roadway driver badging program to comply with Homeland Security Aviation Security Directive 1542-04-08 by May 1, 2007, and to eliminate duplication of driver background checks.

BACKGROUND

Homeland Security Aviation Security Directive 1542-04-08 (SD) imposes new eligibility requirements on all holders of airport-issued identification.

In response to the SD, staff reviewed the Commercial Roadway driver badging program and concluded that: 1) The SD requires that all airport-issued personal identification holders comply with the requirements established by Homeland Security by May 1, 2007; 2) Although driver badges fall within the definition of “airport-issued identification,” the SD was not intended to cover Commercial Roadway operations; and 3) The driver badging program should be eliminated because the background check function for which it was instituted is now performed by other governmental agencies and provider companies.

Existing Ordinance No. 397-R imposes fees upon and generally regulates the use of the PDX Commercial Roadway by commercial ground transportation providers, including taxicabs, executive cars, courtesy vehicles, limousines, shuttles, charters and other buses. Ordinance No. 397-R imposes driver eligibility requirements in order for a driver to receive a Port-issued driver identification badge, but this identification does not provide access to either the Commercial Roadway or to the airport. The eligibility requirements, including pre-application drug screening, motor vehicle licensure and criminal background checks, are now performed by other governmental authorities and the provider companies that employ the drivers.

Ordinance No. 418-R amends Ordinance No. 397-R to eliminate the driver identification badging program.

This item is brought before the Commission as an emergency ordinance to meet the SD May 1, 2007, deadline for compliance. Non-emergency ordinances go into effect 30 days following a second reading of the ordinance at a public meeting. Staff requests that the Commission enact this item on an emergency basis to comply with the SD timeline.

EMERGENCY READING AND PUBLIC HEARING – ORDINANCE NO. 418-R AMENDING
AND RESTATING ORDINANCE NO. 397-R TO COMPLY WITH HOMELAND SECURITY
AVIATION SECURITY DIRECTIVE 1542-04-08 AND REGULATING OPERATIONS ON THE
COMMERCIAL ROADWAY AT PORTLAND INTERNATIONAL AIRPORT

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EXECUTIVE DIRECTOR'S RECOMMENDATION

The Executive Director recommends that the following resolutions be adopted:

BE IT RESOLVED, That Ordinance No. 418-R be adopted immediately to eliminate the Portland International Airport Commercial Roadway driver badging program to comply with Homeland Security Aviation Security Directive 1542-04-08 by May 1, 2007; and

BE IT FURTHER RESOLVED, That Ordinance No. 418-R, in the form presented to the Commission, be read by title only; and

BE IT FURTHER RESOLVED, That Ordinance No. 418-R be enacted by a roll call vote.

CONTRACT – APPOINTMENT OF INDEPENDENT AUDITOR

March 14, 2007

Presented by: Robert Burket
Controller**EXECUTIVE SUMMARY**

This item requests approval to enter into a five-year audit services contract with PricewaterhouseCoopers, LLP, to conduct required independent audits of the Port of Portland's (Port) financial records for each fiscal year 2007 through 2011.

BACKGROUND

Requests for Proposals were distributed through an advertising process. Proposals were received from three separate accounting firms. Fees ranged from \$131,000 to \$165,000 for the fiscal 2007 audit and from \$141,000 to \$185,000 for the fiscal 2008 audit. The fees reflect the use of 500 hours of Port Internal Audit staff time in performing the audit work each year.

The proposals were reviewed and two firms were interviewed by a team comprised of key accounting and finance personnel and the Port's manager of Internal Audit. The proposals were evaluated on the following criteria: stability, quality control, independence and local team/national office interaction; demonstrated experience in performing audits for similar entities; cost; qualifications and experience of personnel to be assigned to the audit; understanding of the scope and magnitude of services to be performed; approach taken to performing the audit; and small business participation.

PricewaterhouseCoopers, LLP (PwC), best met these criteria at the lowest cost and staff recommends they be appointed to perform these services. The contract may be terminated by either party upon 30 days written notice.

Under the contract, PwC will provide an independent audit and opinion on the financial statements of the Port, a "Single Audit" and report on federal grants, a Passenger Facility Charge program audit and report, required state and federal data forms, as well as all of the required communications with Port management and the Commission.

Fees are as follows:

Fiscal 2007	\$131,000
Fiscal 2008	\$141,000
Fiscal 2009	\$152,000
Fiscal 2010	\$164,000
Fiscal 2011	\$180,000

CONTRACT – APPOINTMENT OF INDEPENDENT AUDITOR

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EXECUTIVE DIRECTOR'S RECOMMENDATION

The Executive Director recommends that the following resolutions be adopted:

BE IT RESOLVED, That PricewaterhouseCoopers, LLP, is appointed to perform an independent audit of the Port of Portland's financial records for each fiscal year 2007 through 2011; and

BE IT FURTHER RESOLVED, That approval is given to enter into an audit services contract with PricewaterhouseCoopers, LLP, for fees in the amount of \$131,000, \$141,000, \$152,000, \$164,000 and \$180,000 for fiscal years 2007 through 2011, respectively; 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.