

**MINUTES
REGULAR COMMISSION MEETING
THE PORT OF PORTLAND
May 9, 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 Jay Waldron, President, presiding; Ken Allen; Bruce Holte; Judi Johansen; Mary Olson; Bill Thorndike; Junki Yoshida and Grant Zadow. Also present were Bill Wyatt, Executive Director; participating staff members; and representatives of the public. Commissioner Steve Corey was absent.

MINUTES

Commissioner Waldron called for a motion to approve the minutes of the Special Commission Meeting of March 22, 2007, and the Regular Commission Meeting of April 11, 2007. Commissioner Olson moved to approve the minutes. Commissioner Yoshida seconded the motion, which was put to a voice vote; Commissioners Allen, Holte, Johansen, Olson, Thorndike, Waldron, Yoshida and Zadow voted in favor of the motion.

EXECUTIVE DIRECTOR'S REPORT

Bill Wyatt said we welcomed larger vessels from Yang Ming to Terminal 6 last week. He said the larger vessels are double the size of the vessels that have been calling here in the past, which means increased volumes.

Mr. Wyatt said Southwest Airlines is about to put into service a fourth daily flight to our largest destination, Las Vegas. He also noted US Airways will begin new non-stop service to Charlotte on May 28, Mexicana will add new non-stop service to Mexico City on June 1 and Delta will begin new non-stop service to Los Angeles on June 7.

Mr. Wyatt said tree cutting on Airport Way began last week. He said this formally signifies the beginning of a significant series of construction projects that will occur, including the new parking garage and headquarters.

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

GENERAL DISCUSSION

Aviation Tenant Environmental Awards

Commissioner Waldron said this award is a highlight for the Port because we believe we have the best airport in the United States and we have strived to be the environmental leaders of Oregon.

Mary Maxwell, Director of Aviation, presented the 2006 Aviation Tenant Environmental Excellence Award. Global Aviation, Inc., received an award for environmental performance; Brian Lockhart, Director of Maintenance, accepted the award. Also attending from Global Aviation was Flo Newton, Owner/President. Southwest Airlines received an award for environmental innovation; Larry Henneberger, Customer Service Manager, accepted the award.

Regional Transportation Plan

Metro Council President, David Bragdon, along with Councilors, Rex Burkholder, Rod Park and Brian Newman, addressed the Commission to discuss the Regional Transportation Plan (RTP) and the policy choices that must be considered to address the transportation funding challenges facing the region, as well as Metro's efforts over the next several months to map out transportation priorities for investment.

Council President Bragdon said Metro has worked regularly with the Port in the past year or two and the interaction between the agencies is at a very strong point in the history of the two organizations. He said we are learning from each other and from the work we are doing, including the importance of transportation and how our domestic network relates to our international strengths, as well as understanding the strategic importance of how and where we spend money. Council President Bragdon said in an era of limited dollars, it is clear that we need new measures to decide where and how to spend money. He said the Port is a developer of facilities, an investor in infrastructure and we do a lot of shrewd capital planning. The RTP needs to be a capital-planning tool for the region that looks at return on investment.

Councilor Burkholder said we are engaged in a daunting enterprise and we need a new approach. He discussed the challenges we are facing on both the federal and state level. He said a major issue we are facing is the growth in population over the next 20 years, which will have a large impact on the transportation system. Councilor Burkholder also said energy is a major component to the cost of transportation and we need to be thinking about what we can do and how we can prepare the community in case the price of energy goes up. He said the challenge is going to be how we create a flexible, resilient transportation system. He said Metro is approaching the RTP in a different way than they have in the past; now they are going to look at the outcomes they are trying to achieve and determine how to achieve the highest return on investments. Councilor Burkholder said they do not believe they will get it all right the first time, but they want to head in the direction of having a transportation system that responds to the challenges of the 21st Century.

Councilor Park said this process is a unique change for Metro in that they are looking at freight as part of the RTP update. He provided an overview of the Regional Freight and Goods Movement Task Force and its participants. He said the task force meets monthly to gain a better understanding of what issues the region is facing as we look to the future and to advise the development of Metro's plan for regional freight and goods movement. He said the task force has been invaluable in identifying the hot spots that we need to be looking at as a region and what areas we need to protect. Councilor Park said we know intrinsically that we need to protect areas around deep-water ports, but we also need to be looking at our other transportation systems in the same way so that we make decisions that will protect our capacity for the future.

Councilor Newman discussed one of the outcomes of the RTP – new revenue. He said from the work Metro has done with the Port on the Cost of Congestion Study, we know the region will ultimately lose \$844 million a year in economic productivity due to congestion. He said we also know from the Oregon Department of Transportation's forecasting that they anticipate a need, on the modernization front, of \$12 billion over the next 30 years and are expecting revenues of

\$705 million over the same planning horizon. Councilor Newman said we need to start talking more comprehensively about new revenue sources. He said the Metro Council will be considering a resolution that, if approved, would authorize an outreach to local government and agency partners to begin a conversation to decide if 2008 is an appropriate year to put together a ballot measure on regional transportation funding. Councilor Newman said this would not take the pressure off Metro's efforts in the state legislature or local governments' efforts to come up with their own means to fund maintenance, particularly on their local street networks.

Commissioner Waldron thanked the Metro Councilors for their thoughtful comments. He said the Port has enjoyed and welcomed the partnership with Metro and our ability to work hand in hand. He said we are also pleased that they are looking at transportation as an investment and gauge it through its return on investment. Commissioner Waldron said this region is a trading center; this is primarily why we are a large metropolitan area, and the movement of goods is essential to that.

Commissioner Olson asked if any efforts are in the works on the national level as far as transportation. She said it seems infrastructure issues have been pushed down to the local level and it is our problem now. Councilor Burkholder said the federal role in transportation is not known. He said in 1991, there were about 30 earmarks in the bill and in 2005, there were approximately 6,000. He said there is a debate at the federal level about whether the federal government should just get out of it. He said reauthorization comes up in 2009 and the discussion is already starting. Representative DeFazio is the chair of the House Highways and Transit Subcommittee and he will be writing a bill that addresses the challenges we face in order to plan, build and pay for a 21st-century transportation system. Councilor Burkholder said his personal opinion is that the federal government does have a role to play; they collect billions of dollars each year and they need to come up with a focus.

Commissioner Thorndike asked what Metro's role is relative to working with the League of Oregon Cities and the Association of Oregon Counties. Councilor Burkholder said Metro is a Metropolitan Planning Organization (MPO), which is where the federal responsibility comes from in terms of transportation planning. There are six MPOs in the state, including Medford/Rogue Valley. He said two years ago Metro helped form the Oregon Metropolitan Planning Organization Consortium (OMPOC). OMPOC meets quarterly to address common needs, issues and solutions to transportation and land use challenges facing Oregon's metropolitan regions and surrounding areas.

Commissioner Johansen said with respect to the RTP, the Port is concerned about maintaining the focus on things that are near and dear to us and the economy. She said she hears Metro speaking in the same terms as the Port, as far as looking at return on investment, working with the appropriate groups to identify hot spots and trying to find new sources of revenue, so it sounds like there is a lot of commonality. Commissioner Johansen asked where the rub is – what kind of dialogue do the Port and Metro need to have on the tough issues as they continue to develop their framework? Council President Bragdon said he thinks part of it is a “cultural rub,” in terms of how transportation funding and planning has been done and what the expectations are. He also said part of the rub is in the structure of how transportation planning has been conditioned over the last 40 or 50 years, which was a period of anomalous high revenue, particularly from the federal level, and how to transition into an anomalously low level of federal investment. Because transportation planning is so multi-jurisdictional, we have not had unified capital planning. He said that in the past everyone submitted their transportation projects, which amounted to three times the amount of money available, so it is a matter of saying no to some projects.

CONSENT AGENDA

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

Agenda Item No. 1

CONTRACT – STEEL DREDGE PIPE – NAVIGATION DIVISION

BE IT RESOLVED, That approval is given to enter into a contract with Thompson Metal Fabrication, Inc., in the amount of \$654,251 for the manufacture and delivery of 2,040 lineal feet of 31-inch-diameter steel dredge pipe to the Port Navigation Division; 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 Waldron, Commissioner Olson moved that the Executive Director's recommendations be approved and Commissioner Thorndike seconded the motion. The motion was put to a voice vote; Commissioners Allen, Holte, Johansen, Olson, Thorndike, Waldron, Yoshida and Zadow voted in favor of the motion.

ACTION ITEMS

Agenda Item No. 2

FISCAL YEAR 2007-2008 PORT OF PORTLAND BUDGET APPROVAL

This agenda item requested that the Commission, acting as the Port of Portland's (Port) Budget Committee, approve the Port's Fiscal Year (FY) 2007-2008 Budget (Budget) and authorize its submittal to the Tax Supervising and Conservation Commission (TSCC) for its public hearing on June 13, 2007. The TSCC is an independent, impartial panel of citizen volunteers established to monitor the financial affairs of local governments. All budgets must be certified by the TSCC prior to adoption by the local governing body. After review by the TSCC, we will request Commission approval to adopt the Budget at a special meeting to be scheduled in June. At that time, the Commission may take into consideration any suggestions of the TSCC or make other modifications to the Budget subject to the limitations of ORS 294.435.

Steve Schreiber presented the Executive Director's recommendations as follows:

BE IT RESOLVED, That the Port of Portland's Budget document for Fiscal Year 2007-2008, with revisions as presented to the Port of Portland Commission is approved; and

BE IT FURTHER RESOLVED, That the maximum tax levy for the General Fund of the Port of Portland be set at a rate of \$0.0701 per thousand of assessed value, such rate subject to the local government limitation; and

BE IT FURTHER RESOLVED, That the Budget Officer is directed to submit the Budget document to the Tax Supervising and Conservation Commission for a public hearing and for orders, recommendations or objections as provided by law.

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, Holte, Johansen, Olson, Thorndike, Waldron, Yoshida and Zadow voted in favor of the motion.

Agenda Item No. 3

FISCAL YEAR 2007-2008 BASE COMPENSATION PLAN FOR ADMINISTRATIVE EMPLOYEES

This agenda item requested Commission approval to fund the Fiscal Year 2007-2008 Base Compensation Plan of the Administrative Compensation Program

Niki Jordan presented the Executive Director's recommendations as follows:

BE IT RESOLVED, That approval is given to fund the Port of Portland's Fiscal Year 2007-2008 Base Compensation Plan for administrative employees, 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 Johansen moved that the Executive Director's recommendations be approved. Commissioner Olson seconded the motion, which was put to a voice vote; Commissioners Allen, Holte, Johansen, Olson, Thorndike, Waldron, Yoshida and Zadow voted in favor of the motion.

Agenda Item No. 4

CONTRACT AMENDMENT – ENSPIRIA SOLUTIONS, LLC, FOR ENTERPRISE GIS IMPLEMENTATION SERVICES

This item requested approval to amend an existing personal services contract with Enspira Solutions, LLC, for technical design, development, and implementation of an enterprise geographic information system at the Port of Portland.

Kathleen Paul presented the Executive Director's recommendations as follows:

BE IT RESOLVED, That approval is granted to amend the existing contract with Enspira Solutions, LLC, for assessment and evaluation services to include implementation services, in an amount not to exceed \$4,200,000; 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 Olson moved that the Executive Director's recommendations be approved. Commissioner Holte seconded the motion, which was put to a voice vote; Commissioners Holte, Johansen, Olson, Thorndike, Waldron, Yoshida and Zadow voted in favor of the motion. Commissioner Allen was not present for the vote.

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Agenda Item No. 5

Commissioner Waldron declared a potential but not actual conflict with this agenda item.

DEICING SYSTEM ENHANCEMENT – RECOMMENDED ALTERNATIVE – PORTLAND INTERNATIONAL AIRPORT

This agenda item requested that the recommended conceptual design alternative to enhance the deicing system at Portland International Airport be approved and proceed to design.

Susan Aha presented the Executive Director's recommendation as follows:

BE IT RESOLVED, That the recommended conceptual design alternative as described above to enhance the deicing system at Portland International Airport be approved and proceed to design.

Commissioner Olson moved that the Executive Director's recommendation be approved. Commissioner Johansen seconded the motion, which was put to a voice vote; Commissioners Holte, Johansen, Olson, Thorndike, Waldron, Yoshida and Zadow voted in favor of the motion. Commissioner Allen was not present for the vote.

Agenda Item No. 6

MANAGEMENT AGREEMENT – SHUTTLE BUS OPERATIONS – PORTLAND INTERNATIONAL AIRPORT

This agenda item requested approval to award a shuttle bus management agreement to Standard Parking Corporation to manage the shuttle operations at Portland International Airport (PDX). The shuttle system at PDX provides shuttle bus services to the airport's Economy lot, Employee lot, Long Term/North lot, and shuttle service from the airside Federal Inspection Station to the terminal building in support of the international air service.

Michael Huggins presented the Executive Director's recommendations as follows:

BE IT RESOLVED, That approval is given to award the Shuttle Bus management agreement to Standard Parking Corporation, consistent 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 Holte moved that the Executive Director's recommendations be approved. Commissioner Johansen seconded the motion, which was put to a voice vote; Commissioners Holte, Johansen, Olson, Thorndike, Waldron, Yoshida and Zadow voted in favor of the motion. Commissioner Allen was not present for the vote.

Agenda Item No. 7

CONSTRUCTION CONTRACT AND CONSULTANT CONTRACT AMENDMENT – AIRPORT WAY REALIGNMENT, PHASE 1 – PORTLAND INTERNATIONAL AIRPORT

This agenda item requested approval to award a construction contract for Airport Way Site Preparation and Hangar Demo at Portland International Airport. In addition, this item requested

approval to amend a professional services contract with the design consultant, HNTB Corporation, for design scope increases as well as to provide engineering support during construction.

Ken Willhite presented the Executive Director's recommendations as follows:

BE IT RESOLVED, That approval is given to award a contract for Airport Way site preparation and hangar demolition at Portland International Airport to Anderson Environmental Contracting, LLC, in accordance with its bid; and

BE IT FURTHER RESOLVED, That approval is given to amend a contract with HNTB Corporation in accordance with the negotiated price of \$530,000; 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 Olson moved that the Executive Director's recommendations be approved. Commissioner Zadow seconded the motion, which was put to a voice vote; Commissioners Holte, Johansen, Olson, Thorndike, Waldron, Yoshida and Zadow voted in favor of the motion. Commissioner Allen was not present for the vote.

Agenda Item No. 8

CONSTRUCTION CONTRACT – INSTALLATION OF DIGITAL MESSAGE SIGNS – PORTLAND INTERNATIONAL AIRPORT

This agenda item requested approval to award a contract to install four digital message signs on the surface roads at Portland International Airport: two along westbound Airport Way, one along eastbound Airport Way and one along northbound 82nd Avenue.

Ken Willhite presented the Executive Director's recommendations as follows:

BE IT RESOLVED, That approval is given to award a construction contract for installation of digital message signs at Portland International Airport to Triad Mechanical, Inc., for \$1,159,266; 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 Olson moved that the Executive Director's recommendations be approved. Commissioner Holte seconded the motion, which was put to a voice vote; Commissioners Holte, Johansen, Olson, Thorndike, Waldron, Yoshida and Zadow voted in favor of the motion. Commissioner Allen was not present for the vote.

Agenda Item No. 9

COLLECTIVE BARGAINING AGREEMENT – AVIATION POLICE DEPARTMENT AND COMMUNICATIONS CENTER

This agenda item requested approval of a new five-year collective bargaining agreement between the Port of Portland and the American Federation of State, County and Municipal Employees, Local 1847.

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Cheryl Hettervig presented the Executive Director's recommendations as follows:

BE IT RESOLVED, That approval is given to enter into a collective bargaining agreement with the American Federation of State, County and Municipal Employees, Local 1847, for a five-year agreement beginning July 1, 2006, setting forth wages, fringe benefits and working conditions for the employees in the Aviation Police Department and Aviation Communications Center, consistent with the terms presented to the Port of Portland 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 Yoshida moved that the Executive Director's recommendations be approved. Commissioner Holte seconded the motion, which was put to a voice vote; Commissioners Holte, Johansen, Olson, Thorndike, Waldron, Yoshida and Zadow voted in favor of the motion. Commissioner Allen was not present for the vote.

Agenda Item No. 10

REAL ESTATE LISTING AGREEMENT – GRUBB AND ELLIS COMPANY – PORT OF PORTLAND DOWNTOWN OFFICE BUILDING

This agenda item requested approval to enter into a real estate listing agreement with Grubb and Ellis Company (Grubb and Ellis). This agreement contracted Grubb and Ellis to competitively market the Port of Portland property at 121 NW Everett Street. David Squire, Senior Vice President, and David Hill, Vice President, will represent the Port in real estate transactions.

Bill Bach presented the Executive Director's recommendations as follows:

BE IT RESOLVED, That approval is given to enter into a real estate listing agreement for the Port of Portland property at 121 NW Everett Street with Grubb and Ellis Company, consistent with the terms presented to the Port of Portland 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 Thorndike moved that the Executive Director's recommendations be approved. Commissioner Olson seconded the motion, which was put to a voice vote; Commissioners Holte, Johansen, Olson, Thorndike, Waldron, Yoshida and Zadow voted in favor of the motion. Commissioner Allen was not present for the vote.

Agenda Item No. 11

CONTRACT – CONTAINER-HANDLING REACH STACKERS – MARINE TERMINAL 6

This agenda item requested approval to award a contract to purchase three container-handling reach stackers for Terminal 6.

Franko Martinec presented the Executive Director's recommendations as follows:

BE IT RESOLVED, That approval is given to award a contract to Norlift of Oregon, Inc., for the purchase of three container-handling reach stackers for a total price of \$1,360,080; 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 Yoshida moved that the Executive Director's recommendations be approved. Commissioner Zadow seconded the motion, which was put to a voice vote; Commissioners Holte, Johansen, Olson, Thorndike, Waldron, Yoshida and Zadow voted in favor of the motion. Commissioner Allen was not present for the vote.

The meeting adjourned at 11:54 p.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.

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