

**MINUTES
REGULAR COMMISSION MEETING
THE PORT OF PORTLAND
October 14, 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; Alice Cuprill-Comas; Bob Levy and Gary Young. Also present were Vince Granato, Chief Operating Officer, participating staff members and members of the public.

Commissioner Carter welcomed new Commissioners Alice Cuprill-Comas, legal counsel at Oregon Health & Science University; and Gary Young, business manager for the International Brotherhood of Electrical Workers, Local 48.

Commissioner Carter announced the new Commission Officers; Tom Chamberlain is Vice President; Linda Pearce is Treasurer; and Bob Levy is Secretary.

Commissioner Carter welcomed the new Port employees in the audience.

LEAVE OF ABSENCE

Commissioner Carter called for a motion to grant a leave of absence to Commissioners Daggett, Pearce and Tsuruta, who were out of town. Commissioner Chamberlain moved to grant the leave of absence. Commissioner Bragdon seconded the motion, which was put to a voice vote. Commissioners Bragdon, Carter, Chamberlain, Cuprill-Comas, Levy and Young voted in favor of the motion.

MINUTES

Commissioner Carter called for a motion to approve the minutes of the Regular Commission Meeting of September 9, 2015. Commissioner Chamberlain moved to approve the minutes. Commissioner Bragdon seconded the motion, which was put to a voice vote. Commissioners Bragdon, Carter, Chamberlain, Cuprill-Comas, Levy and Young voted in favor of the motion.

EXECUTIVE DIRECTOR'S REPORT

Vince Granato addressed the Commission and audience. He said he is sitting in for Bill Wyatt and Curtis Robinhold, who are traveling with the Governor to Japan, China and Vietnam.

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

- Welcomed new Commissioners and Port employees;
- Celebrated the 75th Anniversary of PDX. Celebration included sponsoring the Oregonian Travel Fest and a social media campaign;
- The Port, Transportation Security Administration, Autism Society of Oregon and Alaska Airlines hosted the Wings for Autism event at PDX on September 26;
- Free flu shots available to PDX employees as part of the Workplace Initiative;
- Port will host the 15th annual Hillsboro Airport Air Fair on October 17;
- New service announcements to Calgary on Air Canada and Austin on Alaska Airlines; and
- Westwood ship called on Portland this week; the ship was worked efficiently.

Commissioner Carter noted the importance of the upriver marine customer receptions, in which he and Commissioner Levy participated. Commissioner Carter called for a motion to approve the Executive Director's Report. Commissioner Chamberlain moved to approve the Executive Director's Report. Commissioner Bragdon seconded the motion, which was put to a voice vote. Commissioners Bragdon, Carter, Chamberlain, Cuprill-Comas, Levy and Young voted in favor of the motion.

GENERAL DISCUSSION

Annual Environmental Review

Phil Ralston, Director of Environmental Operations and Policy, provided an overview of the Port's environmental programs and objectives and the environmental performance for Fiscal Year 2014-2015.

CONSENT AGENDA

No presentation was made of the following agenda item, which was brought before the Commission as the Consent Agenda.

Agenda Item No. 1

Commission Policy No. 6.1.2 – Investments

BE IT RESOLVED, That Port of Portland Commission Policy No. 6.1.2, *Investments*, dated October 14, 2015, is hereby adopted; and

BE IT FURTHER RESOLVED, That a copy of Commission Policy No. 6.1.2, *Investments*, shall be attached to the minutes of this meeting.

Following the reading of the title of the Consent Agenda by Commissioner Carter, Commissioner Chamberlain moved that the Executive Director's recommendations be approved and Commissioner Young seconded the motion, which was put to a voice vote. Commissioners Bragdon, Carter, Chamberlain, Cuprill-Comas, Levy and Young voted in favor of the motion.

ACTION ITEMS

Agenda Item No. 2

COLLECTIVE BARGAINING AGREEMENT – AVIATION PARKING CONTROL REPRESENTATIVES CONTRACT – PORTLAND INTERNATIONAL AIRPORT

This agenda item requested approval of a new three-year collective bargaining agreement between the Port of Portland (Port) and the Port Parking Control Representatives, American Federation of State, County & Municipal Employees (AFSCME), Local 3220 (Union).

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 & Municipal Employees, Local 3220, for a three-year agreement beginning July 1, 2015, setting forth wages, fringe benefits, and working conditions for the Port of Portland's Parking Control Representative employees, 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 Carter called for a motion to approve the Executive Director's recommendations. Commissioner Bragdon moved that the Executive Director's recommendations be approved. Commissioner Levy seconded the motion, which was put to a voice vote. Commissioners Bragdon, Carter, Chamberlain, Cuprill-Comas, Levy and Young voted in favor of the motion.

Agenda Item No. 3

FISCAL YEAR 2015-2016 EXECUTIVE DIRECTOR PERFORMANCE CRITERIA

This agenda item requested Commission approval of the proposed Fiscal Year 2015-2016 Executive Director performance criteria.

Jim Carter presented his recommendation as follows:

BE IT RESOLVED, That the Port of Portland Commission adopt the Executive Director Performance Criteria to be used for Fiscal Year 2015-2016.

Les Ruark, a wheat farmer who lives southwest of Arlington, Oregon, submitted written testimony regarding Mr. Wyatt's performance criteria.

Commissioner Carter called for a motion to approve the Executive Director's recommendations. Commissioner Bragdon moved that the Executive Director's recommendations be approved. Commissioner Levy seconded the motion, which was put to a voice vote. Commissioners Bragdon, Carter, Chamberlain, Cuprill-Comas, Levy and Young voted in favor of the motion.

PUBLIC COMMENT

Jo Anna Rudolph, a barista at PDX, addressed the Commission regarding the benefits of being a union member. Michael Hall of UniteHere addressed the Commission regarding wages and working conditions at PDX and the benefits of organizing. Crystal Hendrix, a supervisor at HMS Host, addressed the Commission regarding working conditions, the benefits of being a union member and the uncertainty surrounding the concessions redevelopment program and the upcoming leases. Stefan Moritz, a representative of UniteHere, addressed the Commission regarding the concessions redevelopment RFP process and the need to access information regarding the current round of bidding. Mr. Moritz also asked for information regarding the RFP process as it pertains to the workplace initiative.

Commissioners Carter and Chamberlain provided remarks in response to Mr. Moritz's testimony. Mr. Moritz responded to the Commissioners' remarks and noted the urgent need to address the minimum wage.

The meeting adjourned at 10:39 p.m.

President

Assistant Secretary

Date Signed

PORT OF PORTLAND COMMISSION POLICY

INVESTMENTS Policy No. 6.1.2

Adopted Commission Meeting of October 14, 2015

The Port of Portland's investment program shall be operated in conformance with Oregon Revised Statutes and applicable Federal Law. Specifically, this investment policy is written in conformance with ORS 294.035; 294.040; 294.052; 294.135; 294.145; and 294.810. All funds within the scope of this policy are subject to regulations established by the State of Oregon. Any revisions or extensions of these sections of the ORS shall be assumed to be part of this Investment Policy immediately upon being enacted.

Objectives

The primary objective of the Port of Portland investment program is preservation of capital. Consistent with that objective and the cash flow needs of the Port the investment portfolio shall be managed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into consideration the safety and liquidity needs of the portfolio. Although return consists of both principal return and income return, this policy discourages active trading and turnover of investments. Investments should generally be held to maturity.

Authority to manage investments within the scope of this policy and operate the investment program in accordance with established written procedures and internal controls is granted to Assistant Treasurers and the Cash and Investment Program Manager. No person may engage in an investment transaction except as provided under the terms of this policy.

Investment Types

The Port may invest its funds in securities or investments subject to ORS 294.035, 294.040, and 294.810, with the following restrictions:

Time certificates of deposit with any issuer will not exceed 30 percent of the net capital of such issuer, based on their most currently published financial report and shall be held in qualified Oregon depositories in accordance with ORS Chapter 295.

Banker's acceptances guaranteed by a qualified financial institution shall not exceed 30 percent of the net capital of such institution, based on their most currently published financial report.

No more than 5 percent of municipal bond funds shall be placed with any single issuing authority other than the State of Oregon or one of its agencies. However to the extent that any reserve or construction funds exist and are also subject to yield restrictions by U.S. Treasury regulations or code, such funds may be invested in municipal bonds and no more than 20 percent of such funds shall be placed with any single issuing authority other than the State of Oregon or one of its agencies.

Repurchase agreements shall not exceed a term of 30 days. Collateral provided to the Port under a repurchase agreement shall be deposited with the Port's custodian bank(s), marked to the market daily and maintained at a minimum level in conformance with ORS 294.035 (3)(j).

Repurchase agreements may be entered into with authorized dealers or institutions when a master repurchase agreement or specific written contract governs the transaction. In no case will the total of such agreements with any firm exceed 10 percent of their equity (based on their most recently published financial report).

Diversification

The portfolio will be diversified so that the par value for each of the security classes shown shall not exceed the maximum position indicated as a percentage of the portfolio:

U.S. Treasury Obligations	100% maximum
U.S. Agency Obligations (GSE) (but no single Agency position shall exceed 30% of the portfolio)	100% maximum
Corporate Indebtedness (subject to ORS 294.035)	35% maximum
Time Certificates of Deposit (TCD)	30% maximum
Bankers Acceptances (subject to ORS 294.035(D))	30% maximum
Repurchase Agreements Under 30 days	50% maximum
Municipal Debt Obligations (subject to ORS 294.035) (No single issuer shall exceed 5% of the portfolio)	15% maximum
Oregon Short Term Fund (as subject to ORS 294.810)	As allowed under Oregon Statutes*

Investments in Bankers Acceptances, TCD's and other Corporate Indebtedness of any single company or qualified financial institution shall not, in the aggregate, exceed 5 percent of the portfolio. Where appropriate exposures will be limited by security type; maturity; issuance; issuer, and security type. Investments must have a rating from at least one of the following nationally recognized statistical ratings organizations: Moody's Investors Service; Standard & Poor's; or Fitch Ratings Service, ratings should be investment level ratings and not issuer level ratings (see ORS 294.035).

If the portfolio falls outside of compliance with adopted investment policy guidelines or is being managed inconsistently with this policy, designated staff shall bring the portfolio back into compliance in a prudent manner as soon as feasible. Due to fluctuations in the portfolio balance, maximum percentages for a particular issuer or investment type may be exceeded at a point in time subsequent to the original purchase date. Securities need not be liquidated to realign the portfolio; however, consideration should be given to this matter when future purchases are made to ensure that appropriate diversification is maintained.

Investment Maturity

Since the Port's operating cash needs are generated through operating revenues rather than tax receipts, the Port has more flexibility in structuring maturities than is typical for a municipal district dependent primarily on tax resources. Investments will be timed to meet projected cash requirements unless a shorter maturity is desirable. Funds may be invested to a maximum maturity of five years from the date of settlement.

The portfolio will be structured to meet the following minimum maturities:

- Two years and under, 55 percent of par value
- Three years and under, 75 percent of par value
- Five years and under, 100 percent of par value

In all cases, the "Prudent Person Standard" shall apply to investment decisions. The only exceptions to the maximum maturity shown shall be cases where the Port is using the security as collateral on an operating agreement or in instances where the Port is purchasing its own bonds in the marketplace to lower outstanding debt.

Authorized Dealers and Financial Institutions

The Port may purchase or sell securities subject to the provisions of this policy through any of the following:

- Banks, savings and loans, and mutual savings banks authorized to do business in Oregon (not simply loan production offices).
- Primary security dealers as designated by the Federal Reserve Bank of New York and Oregon secondary dealers.
- Primary agency selling group members as designated by the U.S. agency involved.

Financial institutions utilized as depositories must be qualified Oregon Depositories pursuant to ORS Chapter 295.

Safekeeping

All trades of marketable securities will be executed (cleared and settled) by delivery vs. payment (DVP). All securities will be evidenced by safekeeping receipts in the name of the Port of Portland. Securities acquired through repurchase agreements with the Port's custodian bank(s) may be held by the custodian bank(s). In all cases, payment shall be made only upon delivery.

Reporting Requirements

Quarterly, staff will provide the Commission with portfolio reports showing: portfolio diversification, yield and benchmarking comparisons, maturity distribution, and investment allocation, or any other report or information as the Commission may request. The Commission has review authority over the investment program.

Renewal

This policy shall be reviewed annually by the Commission.