

**MINUTES
REGULAR COMMISSION MEETING
THE PORT OF PORTLAND
October 8, 2008**

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; Peter Bragdon; Steve Corey; Diana Daggett; Bruce Holte; Mary Olson; Paul Rosenbaum and Bill Thorndike. Also present were Bill Wyatt, Executive Director; participating staff members; and representatives of the public.

LEAVE OF ABSENCE

Commissioner Johansen called for a motion to grant a leave of absence to Commissioner Allen, as he was out of town. Commissioner Daggett moved to grant the leave of absence. Commissioner Corey seconded the motion, which was put to a voice vote. Commissioners Bragdon, Corey, Daggett, Holte, Johansen, and Thorndike voted in favor of the motion. Commissioners Olson and Rosenbaum were not present for the vote.

MINUTES

Commissioner Johansen called for a motion to approve the minutes of the Regular Commission Meeting of August 13, 2008, and September 10, 2008. Commissioner Holte moved to approve the minutes. Commissioner Thorndike seconded the motion, which was put to a voice vote. Commissioners Bragdon, Corey, Daggett, Holte, Johansen and Thorndike voted in favor of the motion. Commissioners Olson and Rosenbaum were not present for the vote.

EXECUTIVE DIRECTOR'S REPORT

Mr. Wyatt said the state of the nation's well being has come under siege over the course of the last 30 days in an extraordinary way. He said things continue to change at a fast pace, so it is hard to tell where things are headed, but it appears to be in one direction – down.

Mr. Wyatt said the value of the dollar is gaining considerably against the euro and remains fairly constant against Asian currency. He said all of this has an impact on the Port. He said if you consider our international air service to Europe, our value proposition for European carriers improves a little because our services are dominated by people who book in dollars and then travel to Europe. As the dollar improves against the euro, the value proposition for the carrier improves a little as well.

Mr. Wyatt said the falling price of oil has taken some of the desperation out of the air service industry, but it has hardly solved matters because even at \$90 a barrel, the basic business model that is operating in this country does not work well. Mr. Wyatt said PDX will continue to see changes in terms of capacity. He said our general experience so far is that carriers are reducing capacity across the board. Mr. Wyatt said we are following with laser-like focus the

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seat capacity in our market because it is so critical to how we function and pay for things. Mr. Wyatt said Mary Maxwell and her team are developing a plan to trim our financial footprint at the airport so we are being responsive and responsible.

Mr. Wyatt said Portland International Airport has been selected by Conde Nast Traveler magazine as the best airport in the United States for the third year in a row.

Mr. Wyatt said our marine business is not quite as volatile as aviation. He said the increasing price of fuel has probably solidified our marine franchise to some extent because many of the cargoes we export are competing with cargoes that might come from more distant locations, meaning that the price of fuel and transportation is greater. He said there is much more to keep an eye on and be aware of, but our forecast for the year ahead in marine is on target. Mr. Wyatt said the container facility continues to experience a very strong and resurgent growth that started three years ago and continues. He said we feel fortunate based on what is happening in other places.

Mr. Wyatt said it is a wild time out there and we are not immune to the changes. He said we are keeping a close eye on the changes because 97 percent of our revenues come from business transactions and most of those from companies who buy fuel by the barrel and are greatly affected by it, and so we will continue to stay very close to those changes.

Mr. Wyatt said the Port met with two rating agencies, S & P and Fitch. He said given the current market place, having two different ratings from two different agencies is a good idea. Mr. Wyatt said we expect to see a rating in the next couple of weeks and shortly thereafter, we will go to market. He said both rating agencies have indicated they do not want their ratings to sit around for more than a couple weeks due to the volatility of the marketplace, so we will have a two-to-three week window to market the bonds.

Mr. Wyatt said HQP2 is on time and on budget. He said the north half of the parking garage should top out in early winter. Mr. Wyatt said we did have some safety issues and thanked staff for working with Hoffman to resolve them immediately.

Mr. Wyatt said he visited with automaker BYD during a recent trip to China to meet with Port customers. He said BYD has both hybrid and electric vehicles that they are about to begin producing in large scale and are interested in introducing into the U.S. market. Mr. Wyatt said we are making them aware of the opportunities in Portland. He said we are also working with our city and state government to begin to prepare our communities for the kind of infrastructure that will be required to accommodate plug-in and hybrid electric vehicles. Mr. Wyatt said representatives from BYD visited Portland and are very pleased with the enthusiasm they have received. Mr. Wyatt said he and Commissioners Johansen and Bragdon, along with the Governor, will be meeting with BYD in Shenzhen next month.

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

GENERAL DISCUSSION

2007-2008 Environmental Objectives and Targets

Dorothy Sperry, Environmental Affairs Manager, provided an overview of the environmental objectives and targets and the five program objectives: water resources, natural resources, air quality, waste management and recycling and energy management. Ms. Sperry briefly

discussed the targets for each objective. She said the Port completed thirteen of the eighteen environmental targets and partially completed five. She also said the Port had five air quality targets and completed a total of ten.

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

PROPERTY SALE – FRASER

BE IT RESOLVED, That approval is given to sell approximately 0.59 acres of land in Clatskanie, Oregon, to Scott and Vance Fraser, 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.

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

ACTION ITEMS

Agenda Item No. 2

COMMISSION INVESTMENTS POLICY NO. 6.1.2

This agenda item requested approval to renew Commission Investments Policy No. 6.1.2 with one minor modification.

Pursuant to Oregon Revised Statutes 294.035, for the Port of Portland to invest funds in securities with maturities longer than 18 months, the investments must be made in accordance with a written investment policy, adopted annually by the Port Commission. If material changes are made, the policy must be reviewed by the Oregon Short Term Fund Board.

Kristin Bauer presented the Executive Director's recommendations as follows:

BE IT RESOLVED, That the Port of Portland Commission Investments Policy No. 6.1.2 dated October 8, 2008, is hereby approved; and

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

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

Agenda Item No. 3

PERSONAL SERVICES CONTRACT AMENDMENT – CONSTRUCTION SUPPORT SERVICES

This agenda item requested approval to amend a personal services contract with URS Corporation for construction support services for the Port of Portland's Capital Construction Program.

Tom Peterson presented the Executive Director's recommendations as follows:

BE IT RESOLVED, That approval is given to amend an existing personal services contract with URS Corporation for additional construction support services, in accordance 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 said she supports the agenda item, but is concerned that the initial contract amount started out small and has crept up to \$1.7 million. Steve Schreiber, CFO, said the Port needs to improve its reporting of contract details in the Executive Director's report and is working to revise the report format to show the amendments and change orders. Commissioner Johansen said transparency is necessary; otherwise, how is the Commission to know whether or not staff will come back with each contract amendment after the initial contract is approved? Mr. Schreiber said staff is working on a couple of test reports that could be shared with the Commission to ensure it meets their needs.

Commissioner Olson moved that the Executive Director's recommendations be approved. Commissioner Bragdon seconded the motion, which was put to a voice vote. Commissioners Corey, Daggett, Holte, Johansen, Olson, Rosenbaum and Thorndike voted in favor of the motion. Commissioner Bragdon was not present for the vote.

Agenda Item No. 4

CONTRACT – FLIGHT INFORMATION AND PAGING SYSTEMS – PORTLAND INTERNATIONAL AIRPORT

This agenda item requested approval to award a contract to Signature Technologies, Inc., dba Com-Net Software, for implementation and ongoing support for Flight Information Display and Digital Audio Paging Systems at Portland International Airport.

Linda Dyson presented the Executive Director's recommendations as follows:

BE IT RESOLVED, That approval is given to award a contract to Signature Technologies, Inc., dba Com-Net Software, for the implementation and ongoing support for an integrated Flight Information and Paging System at Portland International Airport, 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 Thorndike moved that the Executive Director’s recommendations be approved. Commissioner Holte seconded the motion, which was put to a voice vote. Commissioners Bragdon, Daggett, Holte, Johansen, Olson, Rosenbaum and Thorndike voted in favor of the motion. Commissioner Corey was not present for the vote.

Agenda Item No. 5

PROPERTY PURCHASES – BORDERS-POWELL AND HILANDS TRUST – HILLSBORO AIRPORT

This agenda item requested approval to purchase two parcels of land adjacent to Hillsboro Airport: (1) approximately 4.92 acres of property owned by Sondra Borders-Powell and (2) approximately 4.82 acres of property owned by the David E. Hilands Credit Shelter Trust.

Ken Anderton presented the Executive Director’s recommendations as follows:

BE IT RESOLVED, That approval is given to purchase approximately 4.92 acres of land and improvements adjacent to Hillsboro Airport from Sondra Borders-Powell, consistent with the terms presented to the Commission; and

BE IT FURTHER RESOLVED, That approval is given to purchase approximately 4.82 acres of land and improvements adjacent to Hillsboro Airport from the David E. Hilands Credit Shelter Trust, 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 Olson moved that the Executive Director’s recommendations be approved. Commissioner Holte seconded the motion, which was put to a voice vote. Commissioners Bragdon, Daggett, Holte, Johansen, Olson, Rosenbaum and Thorndike voted in favor of the motion. Commissioner Corey was not present for the vote.

The meeting adjourned at 10:29 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.

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