



APPROVED 09-21-10

**MINUTES
OF THE
BOARD OF COMMISSIONERS
MEETING**

HELD ON

**Tuesday, August 17, 2010
6:00 p.m.**

AT

**Port of Tillamook Bay
4000 Blimp Boulevard
Tillamook, Oregon**

1. Call to Order; Welcome newly appointed Commissioner Beveridge

Board President Jerry Dove called the meeting to order at 6:00 p.m. The Board welcomed Commissioner Beveridge. Commissioner Beveridge was sworn in earlier.

2. Recognition of Persons Present

Commissioners: Jerry Dove (President); Jim Young (Vice President); John Ficher (Secretary); Bill Baertlein (Treasurer); and Georgine Beveridge.

Staff: Michele Bradley (General Manager); John Lewis (Roadmaster); and Aaron Palter (Project Coordinator).

Public: Alene Allen; Carolyn H. Decker; Gus Meyer; Marshall Doak, Director, Tillamook County Economic Development Council.

3. Public Comment

Mr. Gus Meyer asked for the definition of “SMC” from the agenda. Ms. Bradley discussed that “SMC” stands for State Management Costs and described its role in the Port’s FEMA Alternate Projects. She said this would be discussed further in the agenda.

4. Consent Agenda

Ms. Bradley discussed the new format of the Consent Agenda with the Board, following their earlier request.

a. Port Financial Report Discussion and Consideration

Commissioner Dove discussed the aged receivables and credit card debt and referenced the Board’s policy on paying credit card balances within thirty days. Ms. Bradley responded the Port is currently making more than the minimum monthly payments to pay these down.

Commissioner Dove asked Commissioner Baertlein about his interactions with the General Manager following his appointment as Board liaison for financial matters. Commissioner Baertlein responded he continues to work with Ms. Bradley and will provide a report to the Board.

Ms. Bradley and the Board discussed the financials. Commissioner Baertlein asked about fuel sales/purchases and controls. Ms. Bradley responded the Port buys fuel intermittently. Fuel levels are taken each morning by the airport attendant.

Ms. Bradley said the Port had one of its largest amounts ever with septage receiving; and fiber and power sales are good.

b. Railroad Financial Report Discussion and Consideration

Ms. Bradley said the railroad still shows a positive net income; this is due in part to the sale of locomotives. She said Banks shipped 31 cars; and Banks is up to 221 on the year. They moved 147 all of last year. She discussed the effect of the Banks-Sellers project on the railroad financials. Reimbursement will be requested from ODOT and Washington County when the project is completed.

c. Consideration of Minutes from 07/20/10 and 07/26/10

No changes were received.

Commissioner Young made a Motion to approve the Consent Agenda. The Motion was seconded by Commissioner Beveridge. There was no discussion. The Motion was carried by a unanimous vote of all Commissioners present (5-0).

5. FEMA Alternate Projects Update

Mr. Palter said the Board has his report and he can answer any questions. There were no questions.

a. Gap Funding

Ms. Bradley gave an update on the investigation into gap funding and discussed comparisons of terms received from Astoria Bank and TLC Federal Credit Union. She would like action from the Board on how to proceed.

The Board, following its review of the documents, preferred the terms provided by TLC. Commissioner Young questioned whether \$1 million would provide enough gap funding during the projects. Ms. Bradley agreed it would.

Commissioner Young made a Motion to direct the General Manager to proceed on negotiations with TLC Federal Credit Union for gap funding for the Port's FEMA Alternate Projects. Commissioner Baertlein seconded the Motion. There was no further discussion. The Motion was carried by a unanimous vote of all Commissioners present (5-0).

6. Discussion and Consideration of Contract with Oregon Emergency Management for SMC Funds Usage related to the Port's FEMA Alternate Projects

Ms. Bradley discussed Oregon Emergency Management's receiving State Management Costs due to the December 2007 disaster for its management of the Port's Alternate Projects grant. OEM is willing to provide the Port with \$80,000 of their SMC funds as a direct pass-through, with no match requirement, for Port costs associated with accounting services for the alternate projects and the purchase of accounting system software and other equipment for the projects. Ms. Bradley said the Contract has been reviewed and approved by the Port's attorney; and she is requesting Board action and direction for signature of the Contract.

Commissioner Young made a Motion to accept the Contract and to authorize the Board Chair to sign the documents. Commissioner Ficher seconded the Motion. There was no further discussion. The Motion was carried by a unanimous vote of all Commissioners present (5-0).

7. General Business

a. Discussion of Board Policies (15 minutes)

Ms. Bradley discussed the recent Board Policy Workshop and Board direction to dedicate a 15-minute portion of each meeting to discuss the Port's policies. She is presenting the Board with Sample Board Rules in response to their request. The Board reviewed the Sample Rules.

Commissioner Dove discussed the need for Rules but questioned the point of being here if the meeting is not fun. Commissioner Beveridge said the matter seems pretty simple; and she questioned the need for more authority of the Board Chair to keep control of meetings. The Board then discussed how to handle costs associated with Board packets, Commissioners' attendance at meetings while out of town, telephone charges and how to handle lack of a quorum.

Ms. Bradley discussed the public comment component of public meetings; and she said the Board could adopt Robert's Rules of Order in the absence of other rules. The sample rules are just food for thought. The Board discussed their individual feelings about Robert's Rules.

Commissioner Dove then indicated that fifteen minutes has passed and the meeting would be moving on. He said the proposed lease policy would have to be discussed at a future meeting.

No action was taken by the Board on the Sample Board Rules.

b. Port Booth at Tillamook County Fair - comments

Ms. Bradley discussed the Port's participation at this year's Tillamook County Fair. The Port provided the public with access to Port Staff and Commissioners and provided pictures, maps and handouts to the general public in an effort to inform them on the current happenings at the Port. She said the two most asked questions received were on the railroad and the golf course. She indicated that people really do not understand what is happening at the Port, even though the Port has held multiple meetings at the Port and around the county and appeared on the radio about the FEMA Alternate Projects. She discussed the participation of Barb Gimlin from FEMA at the Port's booth for addressing any public comment regarding the projects and its environmental concerns and proposed historic district; and she thanked the Commissioners for their participation at the Fair.

c. Update on Tillamook Lightwave (Commissioner Jim Young)

Commissioner Young said TLW met twice last month. They are still closing in on the grant with high expectations. He said the cable landing station project is on schedule; and customers are happy with the goings on.

OTHER

Commissioner Dove discussed Tillamook School District (TSD#9) pulling their communications fiber out of the administration building; and he suggested the Port determine whether this fiber will remain with the building or not.

Commissioner Dove asked about the status of the TSD#9 properties the Port intends to purchase as part of the FEMA Alternate Projects. Ms. Bradley referenced the Memorandum of Understanding and property appraisals; and she said that the funding is a top priority moving forward.

(John Lewis entered the meeting room at 6:42 p.m.)

Ms. Bradley discussed a recent request to videotape elk hunts on Port property. The consensus of the Board was not to deviate from established Port policy on this.

8. Railroad Division Reports

a. Update on Banks-Sellers Realignment Project

Mr. Lewis discussed the recent project work and what needs to be completed to close out this challenging project. He said the track portion should be completed by tomorrow; and the signal work is expected to be completed by Friday. He also discussed power issues and work to resolve them,

and his coordination with PNWR in the area to keep everything running smoothly during project construction. Mr. Palter complimented Mr. Lewis on his quick handling of multiple project issues which arose today and said that he appreciates Mr. Lewis' continued handling of these on-the-ground issues in Banks.

b. Modoc Rail Academy

Ms. Bradley discussed Modoc's final touches on the \$6.8 million TIGER grant application request for its move to Tillamook and the purchase of a locomotive and other equipment. She said Modoc is requesting the Board provide a formal Motion in support of the Application. The Board discussed its previous actions. Commissioner Beveridge opined on how to handle the grant monies.

Mr. Palter said he has not seen the grant application or instructions. He said that grant applications such as these may request formal agency action in support of the application (i.e., a letter of support, motion, or resolution). Commissioner Dove suggested the Port contact its attorney for advice.

There was no Board action on the request.

OTHER:

Ms. Bradley discussed a letter from George Hicock who is again expressing an interest in running passenger train service on the Port's railroad line to the east. Ms. Bradley said this could be a potential source of railroad income, but she reminded the Board of its previous direction for no new railroad related projects. She discussed her desire for the Board to provide broader direction on the railroad's future. Mr. Lewis, responding to Commissioner Dove, discussed his experience with Mr. Hicock and said there is a good money base out of the Portland/Banks area for passenger service operation. He [Lewis] discussed issues of certification, inspections and other liability issues which would need to be addressed; and he said this could be handled in much the same way as the Port works with the Oregon Coast Scenic Railroad (OCSR). Ms. Bradley discussed the attractiveness of the Port's rail line and the opportunity this could present in that PNWR does not allow these types of operations on its tracks. Commissioner Dove suggested involving the Port's attorney on the liability questions.

Commissioner Baertlein discussed the potential impact on taxpayers by the Port's subsidizing losing businesses; and he asked what the Port gets from OCSR. Ms. Bradley discussed the OCSR agreement. Commissioner Dove read Commissioner Baertlein's comments from a prior meeting where he stated he would not support railroad projects without a long term plan.

There was a Board consensus to hear more specific info from Mr. Hicock at a future meeting.

9. Airport Report

a. TPA Newsletter

No action.

b. AIP Update (Master Plan; Fencing; Drainage)

Ms. Bradley discussed the status of this airport project. FAA funding has been approved to move the project forward to the master plan stage with Precision Approach handling this. Ms. Bradley said that FAA is paying 95% of the costs; and she hopes the Port can get the 5% match from a ConnectOregon III request currently under consideration.

10. Discussion and Consideration of Contract (Task Order No. 2) for the Tillamook Airport Master Plan Between the Port of Tillamook Bay and Precision Approach

Ms. Bradley said Board approval is needed to move the project forward.

Commissioner Ficher made a Motion to approve the Contract and to authorize the General Manager to sign the Contract documents. Commissioner Baertlein seconded the Motion. There was no further discussion. The Motion was carried by a unanimous vote of all Commissioners present (5-0).

Ms. Bradley said a review team will need to be assembled; and she suggested the Board provide one of its members to serve on the committee. There was a Board consensus to appoint Commissioner Beveridge as the Port's liaison to the review team.

11. Lease Orders

a. Russell and Shara Robertson, dba Clark's Plumbing, Inc. – office space in Building #1

Ms. Bradley discussed the lease terms with the Board.

Commissioner Ficher made a Motion to approve the Lease Order. Commissioner Young seconded the Motion. There was no discussion. The Motion was carried by a unanimous vote of all Commissioners present (5-0).

12. Communications

a. Next Regular Port Meeting: September 21, 2010 at 6:00 p.m.

Commissioner Dove read the communications.

13. Executive Session per ORS 192.660 (2) (e) for Real Property Transactions and 192.660 (2) (f) for Exempt Public Records

Commissioner Dove read the appropriate language for the executive session.

(Whereupon the meeting was recessed into Executive Session between 7:12 p.m. and 7:20 p.m.)

14. Public Comment

Gus Meyer commented on Modoc's ability to get the grant and discussed the administrative impacts of the grant to the Port.

15. Commissioner Comments

Commissioner Baertlein discussed the meaning of his earlier statement related to the railroad. He feels the Port needs a long-term plan and vision. He is not opposed to trains on the tracks.

Commissioner Dove commented on Port Storage's responsibilities of maintaining the entranceway to the Industrial Park complex. He said the sign is about covered up by the bushes in front of it.

Commissioner Beveridge thanked the other commissioners for her appointment to the Board. She also commented on the overgrown grass at the Long Prairie Road entrance to the airport hangars.

Ms. Bradley said she will look into these issues.

16. Adjournment

The meeting was adjourned at the hour of 7:34 p.m.

These Minutes were recorded and reduced to typewritten form by Aaron Palter, Project Coordinator.