



APPROVED 4/20/10
MINUTES
OF THE
BOARD OF COMMISSIONERS
MEETING

HELD ON

Tuesday, March 16, 2010
6:00 p.m.

AT

Port of Tillamook Bay
4000 Blimp Boulevard
Tillamook, Oregon

1. Call to Order

Board President Jerry Dove called the meeting to order at 6:00 p.m.

2. Recognition of Persons Present

Commissioners: Jerry Dove (President); Ken Bell (Vice President); John Ficher (Secretary); and Jim Young (Treasurer). **Commissioner Riedel was not present at the meeting.**

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

Public: Gus Meyer; Alene Allen; Jill Williams; Georgine Beveridge; and Lee Ann Neal (Headlight Herald).

3. Public Comment

Gus Meyer commented on the recent removal of rail cars along portions of the Port's rail line.

4. Pacific Railway and Navigation Co., Inc. – Request for Letter of Support

This item was removed from consideration at the request of Pacific Railway & Navigation Co. in their March 10, 2010 letter received earlier today. Mr. Palter provided the background information to the Board.

5. Port Financial Report

Ms. Bradley presented this month's report to the Board. The current month is good; the Port remains upside down for the year. The Port is up to date on its employee taxes. The Board requested to be provided aged receivables for review. Ms. Bradley will provide these as end-of-month figures. Special Districts payments are behind. The insurance claim for the digester continues to be processed; more reimbursement is expected.

6. Railroad Financial Report

Ms. Bradley said the railroad is negative for the month; but the year-to-date remains positive. FEMA is working to close out PWs and will be writing a version for additional costs, about \$30- to \$50,000. Commissioner Ficher asked Ms. Bradley if she had any other concerns about the financials. Ms. Bradley responded that special districts and the auditor are concerning. The auditor is owed about \$25,000 which the Port is working to bring current for continued audit of the Port's prior years' financials. Commissioner Ficher then inquired on the status of the property sale. Ms. Bradley responded the sale was delayed by an occupant of the depot, but the sale has now closed. The purchaser has made the first one-half payment to the Port; and the balance of the purchase price will be paid out over a six-month period. Ms. Bradley said a portion of the sale proceeds will be used to pay off a previously deferred loan of the Port. Commissioner Ficher then inquired about the biomass tax credits. Ms. Bradley said the Port expects to receive about \$70,000 from these.

Commissioner Young made a Motion to approve the Financial Reports. Commissioner Ficher seconded the Motion. The Motion was carried by a unanimous vote of those Commissioners present.

6. Approval of Financial Reports and Minutes from 02/16/10 and 03/5/10 (3:30) and 03/05/10 (4:00) meetings

Commissioner Dove noted that any corrections have been provided and included.

Commissioner Ficher made a Motion to approve the 02/16/10 Minutes. Commissioner Bell seconded the Motion. The Motion was carried by a unanimous vote of those Commissioners present.

Ms. Bradley noted there were other Minutes for approval.

Commissioner Ficher made a Motion to approve all of the Minutes included in the packet [02/16/10, 03/5/10 (3:30) and 03/05/10 (4:00)]. Commissioner Bell seconded the Motion. The Motion was carried by a unanimous vote of those Commissioners present.

There was Board consensus to separate out the Port Financial and Approval of Minutes action items in future agendas.

8. Discussion and Consideration of the Annual Report of the Port of Tillamook Bay Board of Commissioners for the 2009 Calendar Year

The Annual Report was discussed with the Board as one of the statutory requirements of the Port; and this is a short list of the many accomplishments of the Port and Staff over the past year. All Port staff has contributed to this process in an effort to show the amount of work which the Port does and how it functions through the use of taxpayer funds. Commissioner Bell questioned the amount of and need to spend time on this report. He feels this is something which could have been completed using one or two sentences; and he said this is something which he would not be signing. Other Commissioners indicated there is value to the report. Ms. Bradley said the report, once approved, could be placed on the Port's website for the public to realize what the Port does with the taxing money it receives from residents of the district.

Commissioner Young made a Motion to approve the Annual Report of the Port of Tillamook Bay Board of Commissioners for the 2009 Calendar Year. Commissioner Ficher seconded the Motion. The Motion was carried by a unanimous vote of those Commissioners present.

9. Railroad Division Reports

(a.) Update on Banks-Sellers Road Grade Crossing Project

Mr. Palter said the Port has not received any protests of the Notice of Intent to Award Contract. The Contract has been presented to and signed by the successful bidder, Railworks Track Systems, Inc. The Payment and Performance Bond are expected to arrive soon, at which time the Port will sign the Contract.

(b.) Discussion and Consideration of Authorization for General Manager to sign Contract with Railworks Track Systems, Inc., and any other documents

The Board is being asked to authorize the general manager to sign the contract and any other documents. Once all documents have been provided and the contract is signed, the Port will issue the Notice to Proceed. Work is expected to begin in July 2010 and is a partnership project between the Port and Washington County on the road realignment.

Commissioner Bell made a Motion to Authorize the General Manager to sign the Contract with Railworks Track Systems, Inc., and any other documents relating to the Banks-Sellers Road Grade Crossing Project. The Motion was seconded by Commissioner Ficher. The Motion was carried by a unanimous vote of those Commissioners present.

10. Airport Report

(a.) TPA Newsletter; B-17 info

There was a brief discussion regarding a rumor involving the change in management of the Air Museum. This rumor is apparently unfounded. Ms. Bradley said the B-17 bomber arrives in April.

(b.) AWOS Ground Inspection Report

The report was presented to the Board.

(c). Connect Oregon III Update

Ms. Bradley reported on her attendance at the 2/25 Oregon Department of Aviation Commission meeting in Salem to promote the project. The Port was in a solid middle position; although the feeling was that the project as a whole is too big for the Tillamook area. Ms. Bradley will keep the Board informed.

(d). AIP Update (Airport Master Plan, Drainage and Fence)

Ms. Bradley provided the preliminary report to the Board and explained the process moving forward. The Port has not had a new Airport Master Plan since 1988, although there have been updates over the years for the FAA AIP plans.

11. Digester Report

(a.) Operations - Update

Ms. Bradley discussed a recent meeting with Paul Sprague from Special Districts on the insurance claim and said the Port is working towards further reimbursement.

(b.) Biomass Tax Credits - Update

Ms. Bradley said that Alex Schay is continuing to shore up work on the tax credits. There was discussion that some of these credits have recently been purchased by local farmers. Commissioner Bell said he performed a cost calculation on the digester separating out the electrical production. He has a lot of heartburn over the way the digester is being run, although the project is one of his favorites. Commissioner Ficher indicated that separating out the electrical from the costs is not the way to do it; the electrical is income to the digester. The Board had a discussion about the operations of the digester and the upcoming project. Ms. Bradley said that one component of the FEMA Alternate Project Process will be an RFP for design and engineering with inclusion of a benefit-cost analysis. Commissioner Dove said the digester has been an experimental project all along; and he would hate to see the plug pulled on it now. There remains a benefit to the Port and the farmers; and he said he doesn't mind breaking even in this case. Commissioner Young said the Port may wish to consider selling the digester down the line. There was a brief discussion of what other farmers are using for their operations.

12. Industrial Park Report

(a.) Discussion of Regional Port Project Opportunity through OYCC/OYEI for Summer of 2010

Mr. Palter reported to the Board on this Stimulus-funded opportunity. If successful, the project will provide summer work opportunities for local people (i.e., high school students) to work on conservation-related projects. Some projects might include perimeter fence line maintenance, ditch clearing and clearing and grubbing of one of the Port's landfill caps. The Port would not have to contribute any supervision or accounting staff; the grant provides this. Work would occur in August of this year.

(b.) Water Quality Inspection Report

The Board had no comments on the report.

(c.) Wastewater Solids Inspection Report

The Board had no comments on the report.

OTHER: Letter Response from Business Oregon on Port Loan

Ms. Bradley discussed a recent letter from Business Oregon following the Port's request to restructure one of the Port's loans.

There was a Board consensus to accept the terms presented. Commissioner Young asked how the new loan payments would be budgeted. Ms. Bradley responded the payment would be included in the Port's upcoming FY '10/'11 budget, with the first payment becoming due and payable in December of 2010.

13. FEMA Alternate Projects

(a.) Update on Status of Alternate Project requests (Aaron Palter)

Commissioner Bell asked for an explanation of the words "Some of the Port's projects may not be entirely possible" as contained in the report. Mr. Palter said the statement was not specific to any one project; and he explained in detail the process of Project Requests (OEM) to Project Worksheets (FEMA). The Project Requests are general for FEMA's purposes; and FEMA has many reviews it performs as it works with the Port to develop the Project Worksheets, which Project Worksheets are what is ultimately filed to FEMA Region for obligation of funds. Mr. Palter discussed the Port's request for building improvements and examples of some of the reviews. There may be certain historical issues which may arise which could change the scope of the request. However, no decisions have been made at this point, only work to address potential issues as they may arise. Ms. Bradley discussed with the Board the matching money being provided by the State and how this might be cash flowed for the projects.

(b.) Discussion of Establishing Procedures for Contract Review

There was a brief discussion with the Board about the recent bid process for the rail crossing project and the potential for the Board to avoid having to deal with the more administrative functions of this process given the potential number of contracts during the Alternate Project process. The suggestion is staff could perform much of the functions of bid openings and reviews prior to Board involvement in the Notice of Intent to Award process. Nothing here would change the public process of bid openings; and the Board remains the authority for awarding contracts based on statutory standards. The Board discussed its desire to remain an integral part of this process; but would like to see a proposed policy from staff. Mr. Palter will prepare and deliver to Board at a future meeting.

14. Lease Orders and Amendments

(a.) IP-10-05 Werner Gourmet Meat Snacks, Inc.

Commissioner Bell made a Motion to approve Lease Order IP-10-05. Commissioner Ficher seconded the Motion. The Motion was carried by a unanimous vote of those Commissioners present.

OTHER

There was a brief discussion about a Port tenant who recently vacated his occupancy due to economic circumstances and another tenant who has been given until April 1 to come current on their lease payments.

Item Taken out of Order 18. Public Comment

Gus Meyer indicated his recent contact with a realtor who has someone interested in a large development if they have railway access. The Board asked Mr. Meyer if this individual has any money to purchase the railroad. The answer was no. Mr. Meyer asked when the Annual Report would be provided. It will be posted on the Port's website soon; and Mr. Meyer could have a copy of it tonight if he wanted. Mr. Meyer also discussed GIS info available from Tillamook County, if needed. The Port is aware of this.

Georgine Beveridge asked about the status of The Bunkers Group. Commissioner Dove replied that, on the advice of counsel, the Port has no comment.

Item Taken out of Order 19. Commissioner Comments

None.

16. Recess Into Executive Session per ORS 192.660(2)(i) to Conduct a Performance Evaluation of General Manager Michele Bradley

Commissioner Dove read the appropriate statutory citation for this purpose and indicated the Board would not be reconvening into Regular Session following the Executive Session.

20. Adjournment

(Whereupon the Regular Session was adjourned at the hour of 7:29 p.m. and the Board thereafter went into Executive Session.)

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