



APPROVED 08-17-2010

**MINUTES
OF THE
BOARD OF COMMISSIONERS
MEETING**

HELD ON

**Tuesday, July 20, 2010
6:00 p.m.**

AT

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

1. Call to Order; Recognition of Persons Present

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

Commissioners: Jerry Dove (President); John Ficher (Secretary); Jim Young (Treasurer).
Commissioner Baertlein was not present at the meeting. There is currently one vacancy on the Board.

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

Port Counsel: Mr. Jeff Bennett (Jordan Schrader Ramis).

Public: Tom Jayred; Alene Allen; Georgine Beveridge; Carolyn H. Decker; Jill Williams; Gus Meyer; Marshall Doak, Director, Tillamook County Economic Development Council.

Commissioner Dove and the Board thanked Counselor Bennett for his all-day legal work with Port Staff to discuss policies and procedural matters. Ms. Bradley said the Port has received a lot of great information out of this.

2. Public Comment

Marshall Doak commented on the EDC meeting and intimated a potential request of the Port to join in the coming days a roundtable discussion on economic development in the County. He mentioned an upcoming Town Hall meeting on July 29.

Gus Meyer said that things are looking good for economic development.

Ms. Bradley commented that she did not attend the EDC meeting due to the all-day symposium with legal counsel.

3. Discussion and Consideration of Vacancy for Position #5 on Port of Tillamook Bay Board

Commissioner Dove discussed the Board vacancy following the recent resignation of Ken Bell. Mr. Bennett discussed the voting procedures for filling the vacancy; a majority of the quorum present could vote to fill the vacant position. In this case, a 2-1 vote could accomplish this.

Commissioner Dove said it would be his preference that the Board be unanimous in its decision to fill the vacancy. He noted the absence of Commissioner Baertlein due to a previously scheduled vacation. He then asked the three candidates present (Decker, Beveridge and Williams) to leave the meeting room while the Board discussed the matter; and he noted the candidates were not required to leave the public meeting.

(Whereupon Ms. Decker, Ms. Beveridge and Ms. Williams left the meeting room.)

Commissioner Dove suggested the Board members write their preference on a piece of paper and, if all names were the same, the matter could then be decided. Otherwise, he suggested the Board conduct a vote at a future meeting with the entire Board present. The consensus of the Board was to proceed in this manner at this time.

(Whereupon the Commissioners wrote down their respective preference for the vacant Board position.)

Ms. Bradley read the results, which were not unanimous. Each Commissioner then discussed his preference. Commissioner Dove indicated that because the results were not unanimous, he suggested the Board take the matter up at a future date with the entire Board present. The consensus of the Board was to proceed in this manner. Commissioner Dove then asked for the candidates to reenter the meeting room.

(Whereupon Ms. Decker, Ms. Beveridge and Ms. Williams entered the meeting room.)

Commissioner Dove indicated that no decision had been made by the Board and that the matter would be decided at a future meeting of the entire Port Board of Commissioners.

4. Consideration of FY 2010-2011 Resolution #1, Business Matters

Ms. Bradley discussed the changes to this year's Business Matters Resolution. ORPIN is being added as a resource for Public Contracting; and the name of the Port's Counsel is being changed from Andy Jordan to Jeff Bennett. The firm name remains the same.

The Board then discussed electing officers for the new fiscal year. The following suggestions were made:

Jerry Dove, President
Jim Young, Vice-President
John Ficher, Secretary
Bill Baertlein, Treasurer
Vacant Position, Commissioner

Commissioner Ficher made a Motion to approve FY 2010-2011 #1 Business Matters Resolution as discussed. Commissioner Young seconded the Motion. There was no discussion. The Motion was carried by a unanimous vote of all Commissioners present (3-0).

5. Port Financial Report Discussion and Consideration

Ms. Bradley said the current month and year to date is positive. The Port received the first portion of the State Match funds for the FEMA Alternate Projects (c. \$1.3 Million). The money has been placed in the Local Government Investment Pool Account. She said the Port can earn interest on the balance; and the State will receive the interest from the second portion of these funds per the Grant. The Port received this money just before the end of FY 2009-2010, which augmented the Port's bottom line for FY 2009-2010. However, the Port was positive for the year.

Ms. Bradley said the recent price increase for fiber has resulted in an additional \$10,000 for the Digester this month. She said the Museum is also up \$10,000 from last year.

The status of the Port's audit was discussed. Draft financial statements have been completed and are being forwarded to the accountant for review. Ms. Bradley briefly discussed the Port's Accounting Services request for Proposal and the increase in the monetary contribution of State Management Cost funds from Oregon Emergency Management to assist the Port with obtaining these financial accounting services and other items, such as a computer system, accounting software system, photocopier, et cetera, to use during this process until the Projects have been obligated by FEMA. This allows the process to continue in lieu of the Disaster Relief Fund being supplemented. A vote on the DRF supplemental appropriation is expected the end of this week.

Ms. Bradley discussed a letter from Environmental Credit Corp. on July 15, 2010 and the Port's recent receipt of \$10,000 in carbon credit monies.

Ms. Bradley discussed the profit and loss for the Digester and the status of the insurance claim from the November freeze event. The Port is in the process of appealing the denial of coverage.

Commissioner Young asked Mr. Bennett for his impression of the situation. Mr. Bennett discussed the timing of insurance claims and the potential effects of delays of claimants and its effect on the claims process. He discussed the Port's abilities regarding the appeal.

Commissioner Young made a Motion to approve the financials. Commissioner Ficher seconded the Motion. There was no discussion. The Motion was carried by a unanimous vote of all Commissioners present (3-0).

Commissioner Dove suggested the upcoming policy workshop address a consent calendar for the approval of the Port's financials.

6. Railroad Financial Report Discussion and Consideration

Ms. Bradley said Banks Lumber has moved 190 cars; this is already 50 more cars than last year. There were no other comments on the railroad financials.

Commissioner Young made a Motion to approve the financials. Commissioner Ficher seconded the Motion. There was no discussion. The Motion was carried by a unanimous vote of all Commissioners present (3-0).

7. Approval of Minutes from 6/22/10

There were no corrections to the Minutes.

Commissioner Young made a Motion to approve the 6/22/2010 Minutes as presented. Commissioner Ficher seconded the Motion. There was no discussion. The Motion was carried by a unanimous vote of all Commissioners present (3-0).

8. FEMA Alternate Projects Update

Mr. Palter gave a brief summary of his July Monthly Report to the Board. He discussed the status of the three RFPs and the current work of reviewing Proposals. He described the makeup of the Review Committee, which includes Commissioner Young. He discussed the process for identifying a selected Contractor and the timeline for completion of this. The Port hopes to have an identified Contractor by the first part of August.

Commissioner Young commented on the time spent reviewing proposals for the Campus Wide Project. A lot of time has gone into this.

There was a brief discussion about how the Port will be paying for these projects and the status of seeking a line of credit. An application has been presented to a local bank.

9. General Business

a. Highway 101/6 Letter to ODOT (Action)

Ms. Bradley said ODOT is requesting a letter from the Port stating its willingness to consider selling the Port's property along Hoquarton Slough, needed for this project. Commissioner Dove discussed his recent conversations with some local business owners and their feelings regarding the project.

The Board discussed the letter as only a willingness to consider sale of the property. With this understanding, the consensus of the Board was to provide the letter to ODOT.

b. OYCC Grant

Ms. Bradley provided an update on the work at the Port. Fencing has been replaced; Port grounds have been landscaped and improved; and more work is being performed. This grant benefitted both the Port and local people, providing temporary summer jobs, and came at no cost to the Port.

c. Update on Tillamook Lightwave (Jim Young)

Commissioner Young informed the Board that Tillamook Lightwave approved its budget and the process to get the property ready by September 2010 for the new tenant is ongoing. He discussed the disposition of salvaged equipment.

Marshall Doak discussed his recent contact with Commissioner Labhart and the grant going through the due diligence stages. The timeframe is longer; but there is good development.

10. Railroad Division Reports

a. Banks-Sellers Realignment Project

Ms. Bradley provided a project status to the Board. She discussed recently provided watchman hours. ODOT will reimburse the Port for this.

b. Modoc Rail Academy – TIGER Grant

Ms. Bradley said that Modoc is requesting the Port's willingness to support a TIGER Grant application for costs involved in moving Modoc to the Port.

Commissioner Dove said the Port should charge Modoc an administration fee for this purpose. The Port would need assurance work is being completed.

The Board asked Mr. Doak about his thoughts. Mr. Doak responded that a letter requested by the EDC Board to be sent on this has not yet gone out. He said that previously requested business documentation has not yet been received from Modoc. He also discussed a recent telephone call with one party who has determined to withhold support and not to provide any political capital to this venture following recent communication with folks in California.

c. Oregon Coast Scenic Railroad TE Grant

Ms. Bradley discussed OCSR's recent work related to a grant request to provide money to relocate the Port's former depot building from Third Street in Tillamook to the Port for OCSR's use as part of its Railroad Museum project. OCSR is requesting the Port partner with them on this grant request.

The Board discussed the nature of the old depot and questioned the cost effectiveness of moving it from its current location and in its current condition.

The lease between OCSR and the Port was discussed. Ms. Bradley said the terms of the lease do not require OCSR to pay the Port until the building is newly constructed as a restoration shop and/or museum. It was discussed that the time period for this to occur be examined. The Board discussed its willingness to support OCSR's grant request.

Commissioner Young made a Motion that OCSR should handle the matter of seeking a TE Grant on its own. Commissioner Ficher seconded the Motion. There was no discussion. The Motion was carried by a unanimous vote of all Commissioners present (3-0).

OTHER:

Commissioner Dove asked about payments on railroad leases. He indicated his concern that folks might think they do not have to pay on these leases because the railroad is not running through these areas. Ms. Bradley responded that all lessees have been contacted on this. She said the billings as indicated in the financial statements may not be clearly represented.

11. Airport Report
a. TPA Newsletter

Ms. Bradley discussed the upcoming Northwest Classic, formerly "Planes, Trains and Automobiles."

b. AIP Update (Airport Master Plan, Drainage and Fence)
i. Airport Master Plan
ii. Drainage and Fence

Ms. Bradley said this project has not yet received full appropriation. In the meantime, the engineer contractor who has performed project work is requesting payment for those services. The FAA grant represents this request.

12. Consideration of Resolution FY 2010-2011 #2 Accepting Grant Offer Dates July 9, 2011 (sic) from the US Department of Transportation, Federal Aviation Administration for AIP Project Number 3-4-0060-010 for Tillamook Airport and Authorization for Manager to sign grant related documents

Ms. Bradley said this resolution represents the partial payment of project work performed to date.

Commissioner Young made a Motion to approve Resolution FY 2010-2011 #2 as presented. Commissioner Ficher seconded the Motion. There was no discussion. The Motion was carried by a unanimous vote of all Commissioners present (3-0).

Ms. Bradley said she expects to receive a second FAA Grant soon also related to the project; and she asked if she could get a tentative Board approval for this because of the timeline associated with the response to the offer. Mr. Bennett said the Board could provide tentative approval based on the understanding of the grant terms. Ms. Bradley read the terms for FY 2010-2011 Resolution #3 and discussed the terms of Project Number 3-4-0060-011 subject to the Resolution. Mr. Bennett said the Board would be conditionally approving this grant and providing the authority for Ms. Bradley to sign it, once it is received.

Commissioner Young made a Motion to provide its tentative approval of Resolution FY 2010-2011 #3 as discussed. Commissioner Ficher seconded the Motion. There was no discussion. The Motion was carried by a unanimous vote of all Commissioners present (3-0).

13. Lease Orders

- a. IP 10-15 George Lewis dba Roby's Furniture, Building 11, Unit G, month to month + 3% annual CPI**
- b. IP 10-16 Case Power and Equipment, Portion of Building 71, month to month + 3% annual CPI**

Commissioner Young asked if there have been any inquiries on the American Truss building. Ms. Bradley discussed recent contacts. She also discussed the timeline for the upcoming auction. There is an individual who may be interested in bidding on the entire lot of items as well as taking over the facility.

Commissioner Young made a Motion to approve the Lease Orders. Commissioner Ficher seconded the Motion. There was no discussion. The Motion was carried by a unanimous vote of all Commissioners present (3-0).

Commissioner Dove asked if there has been any further interest from the department store. Ms. Bradley responded there has been no further contact on this.

14. Communications

- a. Next Regular Port Meeting: August 17, 2010 at 6:00 p.m.**
- b. Port Policy Workshop – Monday, July 26, 2010 10:00 am – 2:00 pm**

Commissioner Dove read the communications. The Board discussed changing the time of the Policy Workshop to 8:00 a.m. to Noon on the 26th.

Ms. Bradley said the Port will have a booth at the Fair. Mr. Palter said this could also be used as a part of the public outreach component of the FEMA Alternate Projects.

Ms. Bradley briefly discussed the Port's participation in the Fat to Fit Challenge with the YMCA.

15. 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 7:28 p.m. and 7:46 p.m.)

16. Public Comment

Gus Meyer asked if the Board had made any decisions in Executive Session. The Board, Port Staff and Mr. Bennett all responded that a Board is not permitted to come to any decision during an executive session, that no decision was made during the executive session and that no decisions are intended to be made coming out of the executive session.

17. Commissioner Comments

None.

18. Adjournment

The meeting was adjourned at the hour of 7:48 ½ p.m.

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