



PORT OF TILLAMOOK BAY REGULAR BOARD MEETING MINUTES

Date: November 18, 2008 at 6:00 pm

APPROVED 1/20/09

1. The Meeting was called to order by Commissioner Dove.
2. Recognition of Persons present; Public Comment Period.
 - a. Commissioners: Jerry Dove, Ken Bell, Art Riedel, Joe Meyer, John Ficher.
 - b. Public: Ken O'Toole - Headlight Herald, Vicki Goodman- VLG Consulting, Gus Meyer, Allan Rumbaugh- Benkendorf & Associates.
 - c. Employees: Michele Bradley, Ashley Arthur, Josh Balmer, John Lewis.
 - d. Public Comment: No comment at this time.

Commissioner Dove announced a change in agenda, moved #6 to become #1.

3. Moved from #6 on Agenda.

Mr. Rumbaugh said that the final draft of the Ports Consolidation will be presented at the December 3, 2008 meeting. Report concluded that there is not a compelling reason to consolidate Ports. Mr. Rumbaugh gave a brief presentation on how the process works. He then explained that the three ports in Tillamook County are very different and suggests that they maintain meeting monthly or bi-monthly to keep each other informed.

Commissioner Dove inquired why the study was implemented.

Mr. Rumbaugh responded by saying that it was difficult for the Senators, State Representatives, etc. to attend all the different meetings to understand all the Ports' requests and an effective way for infrastructure and to "rationalize state funding."

Commissioner Meyer and Mr. Rumbaugh had a discussion on the expectations of the consolidation. The conclusion was that if the ports are similar in the type of operations you can save financially with the sharing of staff for the operation of the ports.

Consensus of the board to not consolidate but would like continued cooperation with the Port of Garibaldi and Port of Nehalem.

Mr. Rumbaugh left the meeting at 6:30pm.

4. Port Financial Report
Michele gave a brief update on Port financials. Airport and fuel income is up from last year and the museum income is down. Commissioner Bell requested Michele recap on Museum rent over the past ten years and compare to current rent. The Air Museums average monthly rent is less than \$ 6,000 a month. Michele did comparisons with other Port tenants for space versus rental fees. Commissioner Bell was concerned about the past due A/R accounts. POTB needs to get those accounts taken care of as soon as possible, and stick to past due policies.
5. Railroad Financial Report
Billed P & W Railroad for \$44, 000 for the 3 ½ miles of track in Banks. That will cover the last payment for the Flex lease 1999D.
6. Approval of Minutes from 7/1/08, 7/23/08, 8/04/08, and 9/22/08 Special Meeting and 8/07/08 OTRA Meeting minutes.

Commissioner Bell motioned to approve minutes 7/1/08, 7/23/08, 8/04/08, 9/22/08, and 8/07/08. Commissioner Riedel seconded. Voted yes: Riedel, Meyer, Ficher, Bell, and Dove. Motion passed.

7. Resort Report
 - a. Status Report: Discussion on conditional monthly use permits status; no change.
8. Railroad Division Reports
 - a. FEMA Update: Michele spoke briefly on Tunnel 25 draw down for the first two weeks the \$ 36,000 drawdown will pay for the new locomotive. Commissioner Bell asked John Lewis if there was any estimate to when the tunnel would be completed. John explained to the board no, no estimated time for completion but, hope to be in the tunnel by the beginning of the New Year. Commissioner Dove asked if the Port checked Salmonberry after the flood. John Lewis informed him that Salmonberry was dirty and Nehalem River was clean, no new damage.
 - b. Banks-Sellars Realignment Update: Michele reported that the agreement had been drafted and is awaiting signature.
 - c. Operations update: Josh Balmer informed the board the Embargo was approved for December 6, 2008 through December 9, 2009.
 - d. Information: Commissioner Bell concerned about the cedar situation with Cyril Jacobs. Michele explained there has been no new progress.
9. Digester Report
Digester meeting on November 20, 2008 at noon, it is a working lunch with Garick.
10. Airport Report

- a. Operations Update: Port hangars full for the first time ever.
Commissioner Bell asked Michele if the Port has been keeping the prices competitive at the Airport.
11. Industrial Park Status Update
 - a. Hanger B /FEMA Update: No new information at this time
 - b. OSHA Report: Michele informed the board that there were no fines and the Port is up to date on everything. Sending in response by the thirtieth of December.
 - c. Merina is doing audits on Port.
12. Discussion and award of Hangar Roof Repair Contract.
Vicki Goodman said there were only eight contractors that did a walk thru. The port received two bids on the Hangar Roof Repair.

Commissioner Bell motioned to award bid for Blimp Hangar Repair to Big River Construction for \$ 714,102.00 and to have Michele Bradley be the signer on the bid contract. Commissioner Ficher seconded. Voted yes: Riedel, Dove, Meyer, Bell, and Ficher. Motion passed.

13. Executive Session per ORS 192.660 (2) (e) for Real Property Transactions
Entered an executive session at 7:21 pm
Resumed regular meeting at 7:28 pm

Commissioner Meyer motioned to withdraw from negotiations and reject offer from Erickson. Motion seconded by Commissioner Ficher. Voted yes: Bell, Dove, Riedel, Ficher, and Meyer. Motion passed.

14. Lease Orders/Amendments
 - a. Bud Dow- Airport Hangar
 - b. David Truman- Airport Hangar
 - c. Creative Kingdoms- Additional Storage
 - d. Michele informed the board Creative Kingdoms are expanding to Aqua Kingdoms.

Commissioner Bell motioned to approve named lease orders. Commissioner Riedel seconded. Voted yes: Dove, Meyer, Riedel, Bell, and Ficher, Motion passed.

15. Reports and communication
Discussion on upcoming meetings
16. Commissioner Comments
17. Meeting Adjourned at 7:50pm.