



APPROVED 02-16-2010

**MINUTES
OF THE
BOARD OF COMMISSIONERS
MEETING**

HELD ON

**Tuesday, January 19, 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 6:07 p.m.

2. Recognition of Persons Present

Commissioners: Jerry Dove (President); Ken Bell (Vice President); John Ficher (Secretary); Jim Young (Treasurer); and Art Riedel (Commissioner). **Commissioners Young and Riedel appeared by telephone.**

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

Public: Peggy Weitman; Jim McMullen; Larry Applegate; Eric Hellwig; Ronnie Hellwey; Jill Williams; Alene Allen; Zach Gragert; Tim Whalen; Brian Lee; Butch Parker, Director, Tillamook County Department of Community Development; Darcy R. Jones; Matt Johnson; Don & Linnea Burden; Don Aufdermauer; Dick Carr, The Bunkers Group; Justin Harrison; Stephen Ornsley; Bill Steimer; Matt Johnston; Jill Johnston; Bell Johnston; C. Wayne Cook; Mike Weitman; Randy Richardson; Don Gragert; Georgine Beveridge; Duane Bradish; Don Harrison; Lisa Harrison; Joe Ehly; Shelby Vantassel; Jim Johnston; Steve R. Dutton; Dolly Boquist; John Peters; Shelby Peters; LeeAnn Neal

(Headlight Herald); Gus Meyer; Ann Warren; Leslie Vantassel; David Parker; Nicole Parker; Dick Warren; Jaime Craig; Brett Hurliman; Patty & Andy Neal; Pam Zeilinski.

3. Public Comment

Commissioner Dove outlined the procedure for public comment, saying that anyone who wished to make a comment would be heard. He added the Board would not be responding to comment about the resort because of the potential for litigation. He apologized to anyone who came to the last Port meeting [January 14], which was scheduled as an Executive Session only; and he briefly discussed the Port's legal right to hold executive sessions.

Comments were made by audience members both in favor and not in favor of the resort project as well as the funding for the project. Ms. Beveridge read a statement into the record, a copy of which is attached to these Minutes.

Commissioner Dove thanked the public for their comments and said the Board would now recess into Executive Session for the purpose of discussing certain items with legal counsel.

4. Recess into Executive Session per ORS 192.660 2(h) to consult with legal counsel concerning the legal right and duties of a public body with regard to litigation likely to be filed and 2(e) regarding real property transactions

(Whereupon Commissioner Dove read the appropriate statute for the Executive Session and the meeting was recessed into Executive Session between the hours of 6:56 p.m. and 8:04 p.m.)

(Item Taken Out of Order) 12. FEMA Alternate Project Updates – Aaron Palter, Project Coordinator

Mr. Palter said that it is really quite a shame the public who attend these meetings to talk about the resort and the Port's FEMA funds don't stay to discover what the Port has actually developed in projects to benefit the community. He then provided a detailed report to the Board on the status of the FEMA Alternate Projects and process. Thirty-two (32) projects have now been submitted to Oregon Emergency Management by the December 31st deadline. On January 4, 2010, the Port received contact from OEM and FEMA where FEMA is already mobilizing to office at the Port to work directly with Mr. Palter on the drafting of Project Worksheets for each of the projects, as required by the Alternate Project process. There are projects to improve existing facilities as well as new construction projects to provide new Port facilities. The projects have been designed and vetted by the Board through workshops and meetings since early 2008 to provide economic benefit to the Port as well as to provide jobs for the local community. The Port must follow all local, state and federal laws to acquire services for the projects. He said there is much latitude the Port can use to ensure that projects will provide jobs for the local community. He offered his telephone number to anyone wishing to discuss these projects in more detail [503-842-2413 Ext. 116]. Mr. Matt Johnston thanked the Board for providing this detailed report on the Port's FEMA monies, saying that he has not heard this from The Bunkers Group in their calls to support the resort. There was a brief discussion with one member of the public about the contracting process and the requirements of following state and federal rules for procurement. Mr. Palter said Ms. Bradley would be attending a meeting next Tuesday, January 26, 2010, at 1:00 p.m. at Oregon Emergency Management in Salem, Oregon, to give a presentation on these projects as a high-level overview

5. Port Financial Report

Ms. Bradley said this has been an excellent month for the Port. Septage Receiving is at almost \$22,000. Electricity from the digester is about \$5,600 which is good considering all of the problems we have had out there. The insurance reimbursement request has been sent (\$42,000). George has been able to sell just about everything that's been produced.

Commissioner Bell said he is concerned about the amount of money to be put into the digester; he would like to see a pro forma on the numbers. Ms. Bradley asked the Board if they would like to put out for a contract on this. There was Board consensus that there is no money for this at this time. No action was taken.

6. Railroad Financial Report

Ms. Bradley said the year-to-date remains in good shape. Banks moved 147 cars in 2009. FEMA PW 1683 (work for 2006) has now been closed out.

Commissioner Dove discussed the Sterling Savings loan. Ms. Bradley said all the Port is paying on this loan at this time is the interest. There may be an opportunity to restructure the loan.

7. Approval of Financial Reports and Minutes from 12/15/09, 1/08/10 and 1/14/10

Commissioner Ficher made a Motion to approve the Financial Report and Minutes from 12/15/09, 1/08/10 and 1/14/10. Commissioner Young seconded Motion. Commissioners voting aye were: Dove, Bell, Ficher, and Young. Commissioner Riedel (present by telephone) did not respond when polled. The Motion was carried by a vote of 4-0.

(Commissioner Riedel no longer present in the meeting.)

8. Railroad Division Reports

(a.) FRA Settlement Update

Ms. Bradley said a recent communication with FRA have resulted in the original fine of \$12,000 being reduced to \$8,625 for a reduction of \$5,850. Commissioner Dove suggested contacting our congressional delegation for support.

(b.) Modoc Rail Update

Ms. Bradley said Modoc has been discovering the feasibility of moving to the Port property. Commissioner Bell said he doesn't think it's wise for them to come here; the rail line continues to go downhill. Ms. Bradley responded that part of Modoc's original offer was to provide maintenance on the rail line as part of their lease. Commissioner Dove said we shouldn't discourage Modoc from coming out to the Port and suggested sending a letter requesting an update on their progress.

(c.) Banks Lumber Logging

Ms. Bradley gave a brief history of the agreement. She said PNWR may be interested in partnering with the Port on a timber sale at Cochran.

There was a brief discussion about the condition of the rail cars at Garibaldi and the speeder shacks in Wheeler; they will be removed by the end of this month.

9. Airport Report
(a.) TPA Newsletter

Bill Goodman is the new President of the TPA. The Port recently presented a bomber jacket it received to the TPA.

(b.) Connect Oregon III Update

The application is being processed at Salem.

(c.) AIP (Airport Master Plan, Drainage and Fence)

Ms. Bradley said surveyors have been out at Port property over the last couple of days doing work regarding drainage. They should be done today or tomorrow.

10. Digester Report
(a.) PTC/Lobby Update

Ms. Bradley said the Port is continuing to work with the lobbyist.

(b.) Operations Update – Next Dairyman Meeting

Thursday, January 21, 2009, at 11:30 a.m., at the Port offices.

11. Industrial Park Report
(a.) Letter of Support request for Jetties/Port of Garibaldi

Ms. Bradley said Kevin Greenwood, Director of Port of Garibaldi, is requesting a letter of support from us for their request for a federal appropriation for the South Jetty. This project has recently been selected as one of Tillamook County's top priority projects at its recent Appropriations Workshop.

Commissioner Bell made a motion to support the request. Commissioner Ficher seconded the Motion. The Motion was carried by a unanimous vote of those Commissioners present.

(b.) 2006 FEMA Closure

Ms. Bradley said that this involves the railroad work (flooding) from 2006. All work has been completed; and the project worksheet has now been closed out.

(c.) IFA (Business Oregon) monitoring of Hangar Project

Ms. Bradley said this project is being looked at by Business Oregon.

12. Lease Orders

- (a.) IP-10-01 Brian Boehler construction, Building 7 for woodworking shop**
- (b.) IP-10-02 Flying G (Port Storage), Building 19, Room #4**
- (c.) RR-10-03 Nehalem Telecommunications, UG Crossing MP 832.87**
- (d.) IP-08-17 Trask River Woodworks, reduction of leased area**
- (e.) IP-07-32 Creative Kingdoms, addition of Building #73**

There was a brief discussion of the lease orders.

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

14. Reports and Communications

- (a.) Special Districts Association Annual Conference Feb. 5-7 in Seaside**

There was a brief discussion regarding the Port's attendance at the upcoming conference.

- (b.) Next Regular Port meeting: Tuesday, February 16, 2010**

No discussion/action.

OTHER

Ms. Bradley said the Tillamook Air Museum is looking to host a Halloween Haunted House at the facility. They are in communications with the Fire Marshall and other folks on how to set up the event. They have also asked the Port for its support of a community grant application to PUD. Mr. Palter is working with them on this.

15. Public Comments

There were no comments.

16. Commissioner Comments

Commissioner Dove said he would be unable to attend the upcoming Dairyman's meeting.

17. Adjournment

The meeting was adjourned at the hour of 9:19 p.m.

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