



**APPROVED 03-16-2010**

**MINUTES  
OF THE  
BOARD OF COMMISSIONERS  
MEETING**

**HELD ON**

**Tuesday, February 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); John Ficher (Secretary); and Jim Young (Treasurer).  
**Commissioners Bell and Riedel were not present at the meeting.**

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

Public: David Anderson (FEMA); Gus Meyer; Shelby Van Tassel; Alene Allen; Leo Newman; Jill Williams; Georgine Beveridge; Patrick Murphy; Marshall Doak, Director, Tillamook Economic Development Council; and Sherry Phiel (Headlight Herald).

### **3. Public Comment**

There was no public comment.

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

Mr. Palter read the monthly report. Ms. Bradley gave an update on her recent presentation to Oregon Emergency Management and FEMA and discussed the accounting process and timeline for project completion. Mr. Dave Anderson from FEMA is now at the Port working on the project worksheets. In recent weeks, it has been discovered that FEMA's Disaster Relief Fund has been depleted for non-emergency work (e.g. alternate projects) Mr. Anderson said the Governor has recently received a letter from the Oregon Congressional delegation in support of moving the process forward in a timely manner. He will be working with the Port to dial in the project figures. It is hoped that a supplemental appropriation will be adopted soon to add more money to FEMA's budget.

Ms. Bradley discussed a Letter of Interest from Bank of Astoria of a potential \$10,000,000 loan backed by the USDA to assist with interim project funding. Commissioner Dove asked about a line of credit. Ms. Bradley responded this may be possible but not at this amount. Commissioner Young questioned the need for such a large loan and the Port's ability to use the funds at the start opposed to using it with rolling projects. Ms. Bradley responded her concerns about the terms and said she is working with Bank of Astoria towards an agreement on the details.

### **4. Port Financial Report**

Ms. Bradley presented the financials to the Board. The insurance claim for the digester is still being worked out.

### **5. Railroad Financial Report**

Ms. Bradley said the year-to-date remains positive.

### **6. Approval of Financial Reports and Minutes from 1/16/10 and 02/02/10 Meetings**

**Commissioner Young made a Motion to approve the Financial Reports and Minutes from 01/16/10 and 02/02/10 as presented. The Motion was carried by a unanimous vote of those Commissioners present.**

### **7. Manager's Report**

#### **(a.) Port of Tillamook Bay Annual Report**

Ms. Bradley discussed the statutory requirements of this report. She would like to receive comments from the Board on this prior to its being accepted, approved and posted on the Port's website.

#### **(b.) SDAO Conference**

Commissioner Dove and Ms. Bradley discussed their recent attendance at this year's conference and the positives of the event. A brief discussion was held regarding the implementation of the recently adopted Strategic Business Plan.

### **(c.) Harvesting Clean Energy Conference**

Ms. Bradley discussed her recent attendance at this conference and reported that biomass was of much interest.

### **OTHER**

Ms. Bradley discussed an Oregon Business Development loan and promissory note for \$80,918. The loan was originally set up as a lump-sum payback after two years and covered the expenses of laid-off employees following the December 2007 storm FEMA did not cover. She is currently working on a re-amortization for the loan. The Board discussed the potential for seeking forgiveness of this loan.

Ms. Bradley also discussed Elite Trucking and its use of Port property for training classes. MTC Works has given the Port thanks in its recent advertisements/publications.

### **8. Railroad Division Reports**

#### **(a.) Banks-Sellers Road Grade Crossing Project (Aaron Palter)**

Mr. Palter and Ms. Bradley discussed the project details with the Board. The Invitation to Bid was released last week and closes on Friday, March 5. There will be a pre-bid conference at 9:00 a.m. on Tuesday, February 23, 2010 at the site. The Board will meet as the Local Contract Review Board to discuss the bids received on March 5 at 4:00 p.m.

#### **(b.) Discussion and Consideration of Declaring Railroad Equipment (Locomotives #4368 and 6114) as Surplus (Action)**

Ms. Bradley said the Railroad's Chief Mechanic has reconsidered his salvage list. Commissioner Dove questioned Modoc's ability to purchase some of this equipment; and he said he'd like to see Modoc be more up front with the Port on their plans. Ms. Bradley said the Port is able to receive more money from surplus equipment by parting it out rather than as an outright sale. The Board discussed declaring all railroad equipment as surplus.

**Commissioner Young made a Motion to declare all railroad equipment as surplus. Commissioner Ficher seconded the Motion. The Motion was carried by a unanimous vote of those Commissioners present.**

### **8. Airport Report**

#### **(a.) TPA Newsletter**

This was provided to the Board.

#### **(b.) Connect Oregon III Update**

Ms. Bradley will be attending a hearing on 2/25 at the State to promote the project. The Port has received a letter of support from UPS.

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

Ms. Bradley said the Port is awaiting the surveyor's report.

## **OTHER**

The Board discussed a Memo of Aaron Palter dated February 16, 2010 regarding commercial development on POTB property. There was an inadvertent photocopying error; a double-sided copy will be provided the Board following the meeting for their review and comment at a later time.

### **10. Digester Report** **(a.) Operations Update**

Ms. Bradley said the digester continues to limp along. One engine has been taken offline due to an oil cooler problem. 1,920 yards of fiber have been sold this month. This is an excellent number for January.

### **(b.) Report on Recent Dairyman Meeting**

Ms. Bradley discussed the recent dairymen meeting. The Port is contracting with Carbon Solutions Northwest (Alex Schay) on the biomass tax credits. Farmers are eligible for these credits, not the Port. She discussed the decisions made at the meeting regarding the offset of hauling costs. The goal continues to be a zero haul cost to the participating farmers.

### **11. Industrial Park Report** **(a.) Discussion and consideration of Tillamook EDC IGA Amendment #3 to update language and establish organizational by-laws (Action)**

Ms. Bradley and Mr. Doak discussed the process with the Board. The intent here is to add an additional EDC Board position for the Tillamook Bay Community College President to occupy. This comes out of the close relationship between the EDC and the Small Business Development Center and its relationship with the college. As one of the EDC's participating entities, the Port Board is being asked to adopt a Resolution (2009-2010 #10) in support of the amendment and to also sign the Amendment #3 of EDC.

**Commissioner Ficher made a Motion to adopt Resolution 2009-2010 #10. Commissioner Young seconded the Motion. The Motion was carried by a unanimous vote of those Commissioners present.**

**Commissioner Young made a Motion to approve signature of the EDC's Amendment #3. Commissioner Ficher seconded the Motion. The Motion was carried by a unanimous vote of those Commissioners present.**

## **OTHER**

Mr. Doak presented some undated historical photos of the Port property to the Board.

### **12. Lease Orders and Amendments** **(a.) IP-10-04 Delaval Direct Distribution – Portion of Building 11 for storage**

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

#### **14. Executive Session per ORS 192.660(2)(f) Regarding Exempt Public Records**

Commissioner Dove said the meeting would now be recessed into executive session to discuss exempt public records and to discuss real estate transactions under 192.660(2)(e) and read the appropriate statute for this purpose. He admonished the media against reporting anything of a confidential nature discussed during the executive session.

**(Whereupon the meeting was recessed into Executive Session between the hours of 7:05 p.m. and 7:39 p.m.)**

#### **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. Communications**

There were no comments.

#### **16. Public Comment**

Ms. Georgine Beveridge asked about the FEMA funds process. Ms. Bradley discussed same. Mr. Gus Meyer discussed available grants from the USDA as appropriate to the digester. Ms. Bradley responded the Port is aware of USDA grants and has examined many of them for funding where the Port was not eligible for some of these grants.

#### **16. Commissioner Comments**

Commissioner Dove said the Board should schedule an evaluation of the General Manager's position at an upcoming meeting and said staff should be directed to prepare the appropriate forms for this purpose. It was discussed that the evaluation can be held in open or executive session of the Board, which choice is up to the General Manager.

#### **17. Adjournment**

The meeting was adjourned at the hour of 7:45 p.m.

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