

OREGON INTERNATIONAL PORT OF COOS BAY
Coos Bay, Oregon

SPECIAL COMMISSION MEETING
Wednesday, December 17, 2008
2 p.m.

Port of Coos Bay Conference Room, 125 Central Ave, Third Floor, Coos Bay OR 97420

ATTENDANCE:

Commission: Caddy McKeown, Vice-President-present in room; Brady Scott, Treasurer; Commissioner Jerry Hampel and Dan Smith, Secretary - by telephone; David Kronsteiner, absent

Staff: Jeffrey Bishop, Executive Director; Martin Callery, Director of Communications and Freight Mobility; Donna Nichols, Director of Finance and Administration; David Koch, Port Counsel-by telephone; Andrea Wall, Executive Assistant; Mike Gaul was on vacation

Media and Guests: Larry Reiber, CPA; Don Peabody

CALL TO ORDER: Vice-President McKeown called the Special Meeting to order at 2:05 p.m. At that time she introduced the people in the room and those on the telephone.

2. ACTION ITEM:

A. Review of the 07/08 Financial Report

Larry Reiber said that the Port had a good audit and is in a good financial position. There were a couple of notes that he went over with the Finance Director, the Executive Director and the Treasurer but nothing that had a material effect on the Port's reporting process. There were no material weaknesses or reportable conditions for internal control or any instances of non-compliance to the general purpose financial statements.

Motion: Upon a motion by Commission Smith (second by Commissioner Scott) the 07/08 Financial Report was approved by the Board of Commissioners.

B. Resolution 08/09-4 Proceedings to form an Export Trade Corporation

Mr. Bishop said that the Port was concerned with the ownership structure in owning the rail line. The railroad has a federally mandated retirement system and the employees of the Port have PERS. It is important to keep those two entities separate. The Port's counsel recommended forming an Export Trade Corporation which would be wholly owned by the Port. David Koch, Port Counsel said that there would need to be a public hearing on forming the corporation and this will take place at the January 22, 2009 meeting. The corporation would have ties to the Port in that three Port Commission members would serve as Board of Directors to the Export Trade Corporation. It would be a public corporation and it would be a holding mechanism which could then contract with someone to run the railroad for the Port.

Commissioner Scott asked if there were other differences besides the RR retirement and PERS. David Koch said that the Export Trade Corporation would have assets separate from the Port, its own Board of Directors and own staff. He said that if anyone was to try to sue the railroad at any time, it would be very hard to get at the Port assets because of the separation. There would also have to be separate notices for meetings for the Trade Corporation even though the meetings could be held on the same night; either

before or after the Commission meetings. Mr. Koch said that there were some differences in the Public Records laws having to do with the Export Trade Corporation vs. the Port.

Commissioner Smith wanted to verify that the vote was just to “initiate proceedings” to form the Export Trade Corporation. Mr. Bishop said yes, there would be a formal presentation later and he is working on an organization chart. The Commissioners would receive more information by the next meeting. Mr. Bishop said that this corporation needed to be in place by February 18, 2009.

Motion: Upon a motion by Commissioner Scott (second by Commissioner Smith) the Board of Commissioners approved Resolution 08/09-4 for the Port to initiate proceedings to form an Export Trade Corporation to operate and maintain a viable rail service.

4. **ADJOURN:** The Special Meeting was adjourned at 2:20 p.m.

By: _____
Catherine McKeown, Vice-President

By: _____
Dan Smith, Secretary