

AGENDA REPORT

Resolution: Adoption of a Resolution Necessary to Appoint Danny Wan as the Executive Director Effective November 14, 2019 through November 13, 2022 with a Base Salary of \$365,000, a 3% Annual Increase, and an Annual Additional Compensation Incentive Up To a Maximum of 8% of Base Salary Plus Fringe Benefits; and, to Approve and Authorize the Board President to Execute an Employment Agreement with Mr. Wan Consistent with Such Terms As Described in this Agenda Report. **(Finance & Admin.)**

MEETING DATE: 11/14/19

AMOUNT: \$550,000 (estimated annual cost including compensation incentive and benefits)
Operating Expense

PARTIES INVOLVED: Danny Wan

SUBMITTED BY: Sara Lee, Chief Financial Officer

APPROVED BY: Michele Heffes, Interim Port Attorney

ACTION TYPE: Resolution

EXECUTIVE SUMMARY

It is recommended that the Board of Port Commissioners (“Board”) adopt the resolution necessary to appoint Danny Wan as the Executive Director effective November 14, 2019 through November 13, 2022 with a base salary of \$365,000, a 3% annual increase, an annual additional compensation incentive, and fringe benefits; and, to approve and authorize the Board President to execute an employment agreement with Mr. Wan consistent with such terms as described in this agenda report.

BACKGROUND

Article VII, Section 706(21) of the Oakland City Charter provides that the Board of Port Commissioners (“Board”) shall have the complete and exclusive power to employ and appoint an Executive Director. Similarly, Article IX, Section 1 of the Board’s “By-Laws and Administrative Rules, Board of Port Commissioners” (“By-Laws”) provides that the Board is vested with the authority to “appoint the Executive Director by resolution.” The Executive Director is the chief executive of the Port of Oakland (“Port”), charged with achieving the strategic goals and objectives established by the Board, including insuring sound financial stability, economic development, transparency and legal compliance as a steward of the

Port. Further, Article XII, Section 2 provides in pertinent part that the Board “reserves to itself the power and duty to appoint and hire the “Direct-Reporting Officers,” which shall include...the Executive Director...and to prescribe and fix their duties, authority, and compensation....”

In July 2019, J. Christopher Lytle retired from the Port after 6 years serving as Executive Director. Upon Mr. Lytle’s retirement, the Board appointed Danny Wan, Port Attorney, as the Interim Executive Director to provide business and operational continuity during this transitional period. To back fill the Executive Director position, the Board retained the executive search firm Alliance Resource Consulting, LLC (“Alliance”) to conduct the recruitment. After receiving extensive outreach and interest from over fifty (50) professionals, the executive search process concluded with candidate interviews on October 24, 2019.

The Board completed its search and determined that Interim Executive Director Danny Wan is the best candidate, and by way of a resolution, the Board wishes to appoint Mr. Wan as the Executive Director for the Port of Oakland subject to the terms and conditions set forth in a proposed Employment Agreement; the proposed Agreement is attached as Exhibit A. The resolution would also authorize the Board President to execute an Employment Agreement with Mr. Wan consistent with the terms and conditions set forth in this Agenda Report.

ANALYSIS

In July 2019, the Board President established a subcommittee of the Board to lead the search for a successor Executive Director. In August 2019, the Board determined to retain Alliance to conduct the Executive Director search from a group of five 5 executive search firms. Sherrill Uyeda of Alliance initiated the recruitment after meeting with the Board. Working closely with the Board, Ms. Uyeda conducted a national search of industry executives with the requisite skills necessary to lead the Port. Advertising in the appropriate industry media along with direct outreach efforts began in August.

More than fifty (50) professionals expressed an interest in the Port’s Executive Director position; the Board conducted finalist interviews on October 24, 2019. After completion of the search, the Board determined that Mr. Wan was the best candidate.

Prior to his appointment as Interim Executive Director, Mr. Danny Wan served as the Port Attorney since December 17, 2012. In his role as Port Attorney, Mr. Wan reported to the Board and provided legal advice on a broad range of complex business, financial, governance, aviation, maritime, and other related matters. Prior to his appointment as Port Attorney, Mr. Wan served as the City Attorney for the City of Morgan Hill and in that capacity acted as the chief legal advisor to its City Council. Mr. Wan’s prior experience also includes service with the Port of Oakland as a Deputy Port Attorney from 2004 to 2008. Mr. Wan’s prior responsibilities with the Port were primarily in land use, property management, CEQA, environmental regulatory compliance, and inter-agency relations. He also advised the Board on the Brown and Public Records Acts, ethics, meeting procedures

and Charter requirements. Mr. Wan’s experience spans across the public and private sector and his background includes an extensive list of public and community service activities. Mr. Wan is a former Oakland City Council member and has served on a number of boards including the Oakland/Alameda Joint Powers Coliseum Authority and East Bay Municipal Utility District. Mr. Wan holds a Bachelor of Arts degree from the University of California at Berkeley and a law degree from the University of California at Los Angeles.

BUDGET & STAFFING

The proposed Employment Agreement between the Board of Port Commissioners and Mr. Wan provides for compensation and benefits during the three-year term of the agreement. The agreement provides for a base salary of \$365,000 effective November 14, 2019 and then a 3% increase effective the first pay period containing January 1 for the years 2020, 2021, and 2022, resulting in the following annual base salaries:

	Effective November 14, 2019	Effective First Pay Period Containing January 1, 2020	Effective First Pay Period Containing January 1, 2021	Effective First Pay Period Containing January 1, 2022
Annual Base Salary	\$365,000.00	\$375,950.00	\$387,228.50	\$398,845.36

The agreement also provides for an annual additional compensation incentive of up to a maximum of 8% of base salary. The agreement also provides for 5 weeks of vacation per year and 75 hours of paid management leave per year. The Agreement provides medical and retirement benefits that are generally provided to executive management staff. The cost of salary and benefits for the Executive Director is estimated to be up to \$550,000 in the first year of the contract.

MARITIME AVIATION PROJECT LABOR AGREEMENT (MAPLA)

The matters contained in this Agenda Report do not fall within the scope of the Port of Oakland Maritime and Aviation Project Labor Agreement (MAPLA) and the provisions of the MAPLA do not apply.

STRATEGIC PLAN

The action described herein would help the Port achieve the following goals and objectives in the Port’s Strategic Business Plan (2018-2022). <https://www.portofoakland.com/wp-content/uploads/Port-of-Oakland-Strategic-Plan.pdf>

Goal: Pursue Employee Excellence

LIVING WAGE

Living wage requirements, in accordance with the Port's Rules and Regulations for the Implementation and Enforcement of the Port of Oakland Living Wage Requirements (the "Living Wage Regulations"), do not apply because the requested action is not an agreement, contract, lease, or request to provide financial assistance within the meaning of the Living Wage Regulations.

SUSTAINABILITY

Port staff have reviewed the Port's 2000 Sustainability Policy and did not complete the Sustainability Opportunities Assessment Form. There are no sustainability opportunities related to this proposed action because it does not involve a development project, purchasing of equipment, or operations that presents sustainability opportunities.

ENVIRONMENTAL

The matters contained in this Agenda Report were reviewed in conjunction with the requirements of the California Environmental Quality Act (CEQA) and the Port's CEQA Guidelines. The requested Board actions are not projects pursuant to CEQA Guidelines, Sections 15060(c)(3) and 15378(b)(2), and no environmental review is required.

GENERAL PLAN

This action does not change the use of any existing facility, make alterations to an existing facility, or create a new facility; therefore, a General Plan conformity determination pursuant to Section 727 of the City of Oakland Charter is not required.

OWNER-CONTROLLED INSURANCE PROGRAM (OCIP)/ PROFESSIONAL LIABILITY INSURANCE PROGRAM (PLIP)

The Owner Controlled Insurance Program (OCIP) and Professional Liability Insurance Program (PLIP) do not apply to the matters addressed by this Agenda Report as they are not capital improvement construction or design projects.

OPTIONS

1. The Board adopt the Resolution necessary to appoint Danny Wan as the Executive Director effective November 14, 2019 through November 13, 2022 with a base salary of \$365,000, a 3% annual increase, and an additional compensation incentive up to a maximum of 8% of base salary plus fringe benefits; and, to approve and authorize the Board President to execute an employment agreement with Mr. Wan consistent with the terms as described in this agenda report.
2. The Board not adopt the Resolution necessary to appoint Danny Wan as the Executive Director effective November 14, 2019 through November 13, 2022 with a base salary of \$365,000, a 3% annual increase, and an additional compensation incentive up to a maximum of 8% of base salary plus fringe benefits; and, to approve and authorize the Board President to execute an employment agreement with Mr. Wan consistent with the terms as described in this agenda report.

RECOMMENDATION

It is recommended that the Board adopt the Resolution necessary to appoint Danny Wan as the Executive Director effective November 14, 2019 through November 13, 2022 with a base salary of \$365,000, a 3% annual increase, and an additional compensation incentive up to a maximum of 8% of base salary plus fringe benefits; and, to approve and authorize the Board President to execute an employment agreement with Mr. Wan consistent with the terms as described in this agenda report.