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PORT OF OAKLAND

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MINUTES

Thursday, December 13, 2018 **Board Room – 2nd Floor**

ROLL CALL

President Butner called the Regular Meeting of December 13, 2018 to order at the hour of 12:11 p.m. and the following Commissioners were in attendance:

Commissioner Lee arrived at the meeting at 12:23 p.m.

Commissioner Martinez arrived at the meeting at 12:42 p.m.

Present: **7 -** Commissioner Yui Hay Lee, Commissioner Barbara Leslie, Commissioner Arabella Martinez, Commissioner Joan Story, Second Vice-President Michael Colbruno, First Vice-President Andreas Cluver and President Ces Butner

1. CLOSED SESSION

President Butner convened the Board in Closed Session at 12:14 p.m. to hear the following Items:

1.1 CONFERENCE WITH REAL PROPERTY NEGOTIATOR - (Pursuant to California Government Code Section 54956.8)

Property: Buildings L118; L130 (Old Hotel); L142 (Original Passenger Terminal); Hangars 1, 2, 230C, 230D, 3 East, 5, 6, 7, 8 and 9
Negotiating Parties: Piedmont Hawthorne Aviation, LLC (aka Signature Flight Support) and Port of Oakland
Agency Negotiator: Brandon J. Mark, Manager of Aviation Properties
Under Negotiation: Fair Market Rental Value (FMRV) Revisions of Multiple Leased Properties

Property: One Market Street, Oakland, CA (Howard Terminal)
Negotiating Parties: Oakland Athletics and Port of Oakland
Agency Negotiator: Pamela Kershaw, Director of Commercial Real Estate
Under Negotiation: Price and Terms of Tenancy

File ID: [372-18]

1.2 CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION - (Pursuant to Paragraph (1) of Subdivision (d) of California Government Code Section 54956.9):

Stephen Grimes v. Port of Oakland; WCAB Case Nos. ADJ7816458, ADJ7816476

File ID: [373-18]

1.3 PUBLIC EMPLOYEE PERFORMANCE EVALUATION - (Pursuant to California Government Code Section 54957)

- Secretary of the Board

File ID: [381-18]

OPEN SESSION/ROLL CALL

President Butner called the Regular Meeting of December 13, 2018 to order in Open Session at the hour of 4:01 p.m.

Present: **7 -** Commissioner Yui Hay Lee, Commissioner Barbara Leslie, Commissioner Arabella Martinez, Commissioner Joan Story, Second Vice-President Michael Colbruno, First Vice-President Andreas Cluver and President Ces Butner

CLOSED SESSION REPORT

Acting Port Attorney, Michele Heffes, reported that the Board had taken the following action in Closed Session at the previous Board meeting of November 29, 2018:

A motion made by Commissioner Martinez, seconded by Commissioner Story, to approve Resolution 18-114, Resolution Approving and Authorizing Settlement in the Workers' Compensation Appeals Bord Matter, Case NO. ADJ10752533, Port Employee No. 384529 V. Port of Oakland in the Amount of $150,000**.**

The motion carried by the following vote:

6 Ayes: Commissioner Lee, Commissioner Martinez, Commissioner Story, Second Vice-President Cobruno, First Vice-President Cluver and President Bunter.

2. CONSENT ITEMS

Secretary of the Board, Daria Edgerly, introduced the Consent Items.

Commissioner Lee recused himself from Item 2.3 due to a potential financial conflict.

Commissioner Lee abstained on Item 2.9.

A motion was made by Second Vice-President Colbruno, seconded by Commissioner Story, to approve the Consent Agenda. The motion carried by the following vote:

Ayes: **7 -** Commissioner Lee, Commissioner Leslie, Commissioner Martinez, Commissioner Story, Second Vice-President Colbruno, First Vice-President Cluver and President Butner

2.1 **Ordinance 4508:** Approve and Authorize the Executive Director to Execute a Second Amendment to a Temporary Right of Entry and Construction Access Agreement with the City of Oakland and Zarsion-OHP I LLC for Reconstruction of Embarcadero Bridge to Extend the Term for an Additional Six Months Through June 30, 2019. **(CRE)**

File ID: [358-18]

This Ordinance was introduced on first reading.

2.2 **Ordinance 4501,** 2nd Reading Of An Ordinance Authorizing And Approving Extension Of Temporary Rental Agreement With The City Of Oakland For Emergency Vehicle Access Related To The Reconstruction Of The Embarcadero Bridge From January 1, 2019, Through June 30, 2019.

File ID: [374-18]

This Ordinance was approved.

2.3 **Ordinance 4502,** 2nd Reading Of An Ordinance Authorizing And Approving A First Amendment To The Temporary Rental Agreement With West Oakland Pacific Railroad LLC From January 1, 2019, Through June 30, 2019, With Two Additional 3-Month Extension Options For Rail Switching Services At The Railyard At A Fixed Compensation Of $5,000 Per Calendar Year Quarter And Variable Compensation Of $125 Per Rail Car In Excess Of The Breakpoint.

File ID: [375-18]

Commissioner Lee recused himself from Item 2.3 due to a potential financial conflict.

This Ordinance was approved.

2.4 **Ordinance 4503,** 2nd Reading Of An Ordinance Authorizing And Approving Extension Of Temporary Rental Agreement With The JLS Oakland Apartments, LLC For Premises Located At The Corner Of Embarcadero West Street And Webster Street For A Monthly Rental Amount Of $1,530 And Extending The Term From January 1, 2019, Up To December 31, 2019, With The Option To Terminate After Four Months Upon Thirty Days' Notice By Either Party.

File ID: [376-18]

This Ordinance was approved.

2.5 **Ordinance 4504,** 2nd Reading Of An Ordinance Authorizing And Approving Extension Of Temporary Rental Agreement With Pacific Gas & Electric Company From January 1, 2019, Through October 31, 2019, For Construction Staging On 25,396 Square Feet Of The Premises Located At Livingston Street And Embarcadero Road At A Monthly Rental Rate Of $6,153.

File ID: [377-18]

This Ordinance was approved.

2.6 **Ordinance 4505,** 2nd Reading Of An Ordinance Approving And Authorizing The Executive Director To Enter Into A No-Cost Temporary License Agreement With Alameda County Transportation Commission And Its Selected Contractors From June 1, 2019, Through December 31, 2021, With An Option To Extend For An Additional Six Months, For Construction Activities At The Seaport Associated With The Freight Intelligent Transportation System Program.

File ID: [378-18]

This Ordinance was approved.

2.7 **Ordinance 4506,** 2nd Reading Of An Ordinance Approving Space/Use Permit With Boingo Wireless, Inc. To Provide Wireless Fidelity Communication And Internet Services At Oakland International Airport For Total Projected Rental Revenue Of $17,500 In The First Full Year Of Operations (Calendar Year 2019) For A Term Of Five Years From January 1, 2019 Through December 31, 2023.

File ID: [379-18]

This Ordinance was approved.

2.8 **Ordinance 4507,** 2nd Reading Of An Ordinance Authorizing And Approving The Extension Of Space Assignment Agreements That Have Been In Effect For More Than One Year As Of November 29, 2018, The Extension Of Certain Space Assignment Agreements That Are Likely To Be In Effect For More Than One Year As Of December 31, 2018, And Ratification Of A Lighting/Utility Assessment Applicable To Certain Existing Space Assignment Agreements In The Roundhouse Property And The Outer Harbor Terminal; And Approval Of Such Lighting/Utility Assessment On An Interim Basis For Certain Existing And Future Space Assignment Agreements In The Maritime Area; All Resulting In Annual Revenue Of Approximately $13.7 Million.

File ID: [380-18]

This Ordinance was approved.

2.9 **Minutes:** Approval of the Minutes of the Regular Meeting of November 8, 2018. **(Board)**

File ID: [371-18]

Commissioner Lee abstained on Item 2.9.

The Minutes were approved.

2.10 **Report:** Annual Change Order Report on Construction Contracts Substantially Completed during FY 17/18. **(Engineering)**

File ID: [230-18]

This Report was received and filed.

3. MAJOR PROJECTS

There were no "Major Projects" on the Agenda.

4. BUDGET & FINANCE

4.1 **Resolution 18-121:** Approval to Reimburse the City of Oakland for General Services and Lake Merritt Trust Services Rendered in Fiscal Year 2017-18. **(Finance & Admin)**

File ID: [244-18]

Chief Financial Officer, Sara Lee, introduced Item 4.1.

A motion was made by First Vice-President Cluver, seconded by Commissioner Story, that the Resolution be approved. The motion carried by the following vote:

Ayes: **7 -** Commissioner Lee, Commissioner Leslie, Commissioner Martinez, Commissioner Story, Second Vice-President Colbruno, First Vice-President Cluver and President Butner

4.2 **Report:** Unaudited Financials for 3 months ended September 30, 2018 including Capital Expenditure Report. **(Finance & Admin)**

File ID: [246-18]

Chief Financial Officer, Sara Lee, presented Item 4.2.

This matter was received and filed.

5. STRATEGY & POLICY

There were no Strategy & Policy Items to approve.

6. REMAINING ACTION ITEMS

6.1 **Ordinance 4509**: Consent to Extend on a Month-to-Month Basis the Existing Lease with KaiserAir, Inc. for the Premises and Facilities, including Hangar 3 West, Hangar 4, and Related Airfield Aircraft Apron and Motor Vehicle Parking Spaces, to Adjust Minimum Rent to Fair Market Rental Value of $107,546 per Month, and Increase the Security Deposit to $350,000. **(Aviation)**

File ID: [368-18]

Aviation Director, Bryant Francis, introduced Item 6.1.

A motion was made by Second Vice-President Colbruno, seconded by Commissioner Martinez, that the Ordinance be introduced on first reading. The motion carried by the following vote:

Ayes: **7 -** Commissioner Lee, Commissioner Leslie, Commissioner Martinez, Commissioner Story, Second Vice-President Colbruno, First Vice-President Cluver and President Butner

6.2 **Resolution 18-122:** Approve the Terms and Conditions of, and Authorize the Executive Director to Execute, a 12-month Extension of the Airport Shuttle Fleet Maintenance Agreement with Kelly's Truck Repair of San Leandro, to December 31, 2019, for an amount not to exceed $237,180 (including adding COBUS units). **(Aviation)**

File ID: [370-18]

Aviation Director, Bryant Francis, introduced Item 6.2.

Kristi McKenney, Assistant Director of Aviation, addressed the Board's questions.

A motion was made by Second Vice-President Colbruno, seconded by Commissioner Story, that the Resolution be approved. The motion carried by the following vote:

Ayes: **7 -** Commissioner Lee, Commissioner Leslie, Commissioner Martinez, Commissioner Story, Second Vice-President Colbruno, First Vice-President Cluver and President Butner

6.3 **Resolution 18-123**: (1) Approve project design budget totaling $520,000 for the Terminal 2 Boiler Replacement Project. (2) Authorize the Executive Director to execute a contract for Construction Manager at Risk (CM@R) preconstruction services with Turner Construction at a total cost not to exceed $350,000 **(Aviation)**

File ID: [367-18]

Aviation Director, Bryant Francis, introduced Item 6.3.

A motion was made by First Vice-President Cluver, seconded by Commissioner Story, that the Resolution be approved. The motion carried by the following vote:

Ayes: **7 -** Commissioner Lee, Commissioner Leslie, Commissioner Martinez, Commissioner Story, Second Vice-President Colbruno, First Vice-President Cluver and President Butner

6.4 **Ordinance 4510:** Approve and Authorize the Executive Director to Amend the Non-Exclusive Preferential Assignment Agreements, Including Specifically the Amended and Fully Restated Agreement Regarding Combined Compensation at Berths 55-56 and Berths 57-59 Marine Terminals with SSA Terminals (Oakland), LLC, to Modify Reimbursement Terms Associated with Excess Crane Removal Work, Including an Early Reimbursement Not to Exceed $200,000. **(Maritime)**

File ID: [352-18]

Maritime Director, John Driscoll, introduced Item 6.4.

A motion was made by Second Vice-President Colbruno, seconded by Commissioner Martinez, that the Ordinance be introduced on first reading. The motion carried by the following vote:

Ayes: **7 -** Commissioner Lee, Commissioner Leslie, Commissioner Martinez, Commissioner Story, Second Vice-President Colbruno, First Vice-President Cluver and President Butner

Preliminary Procedural Matter

Secretary of the Board, Daria Edgerly, introduced the Preliminary Procedural Item.

Items 6.5 & 6.6 were placed on the Board's December 13, 2018 Meeting Agenda ("Agenda urgency items, and before the Board can take action on them, the minimum notice requireme the Brown Act (Open Meeting law) must have been met, and the Board, by a two-thirds vote of present, must adopt a motion determining that, upon consideration of the facts and circumstanc was not reasonably possible to meet the additional notice requirements of its Sunshine Ordi and that it is necessary to take immediate action on this item during the Board's Decembe meeting. (Port Ordinance No. 4265; Section VII(A))

By supplementing the Agenda with this item effective December 7, 2018, the Brown Act's 7 minimum notice requirement has been met. (Govt. Code Section 54954.2(a))

A motion was made by Commissioner Story, seconded by Commissioner Leslie, that the Board hear Items 6.5 And 6.6 as Urgency Items be approved. The motion carried by the following vote:

Ayes: **7 -** Commissioner Lee, Commissioner Leslie, Commissioner Martinez, Commissioner Story, Second Vice-President Colbruno, First Vice-President Cluver and President Butner

6.5 **Resolution 18-124:** Adoption of a Resolution Necessary to Extend the Appointment of Danny Wan as the Acting Executive Director Through February 28, 2019, or Upon Return of the Executive Director, whichever is Earlier, and to Provide Temporary Supplemental Compensation of Six Percent for the Duration of the Temporary Appointment. **(Finance & Admin.)**

File ID: [382-18]

Human Resources Director, Michael Mitchell, introduced Item 6.5.

A motion was made by Commissioner Martinez, seconded by Commissioner Story, that the Resolution be approved. The motion carried by the following vote:

Ayes: **7 -** Commissioner Lee, Commissioner Leslie, Commissioner Martinez, Commissioner Story, Second Vice-President Colbruno, First Vice-President Cluver and President Butner

6.6 **Resolution 18-125:** Adoption of a Resolution Necessary to Extend the Appointment of Michele Heffes as the Acting Port Attorney through February 28, 2019, or Upon Return of the Port Attorney, whichever is Earlier, and to Provide Temporary Supplemental Compensation of Six Percent for the Duration of the Temporary Appointment. **(Finance & Admin.)**

File ID: [383-18]

Human Resources Director, Michael Mitchell, introduced Item 6.6.

A motion was made by Commissioner Story, seconded by First Vice-President Cluver, that the Resolution be approved. The motion carried by the following vote:

Ayes: **7 -** Commissioner Lee, Commissioner Leslie, Commissioner Martinez, Commissioner Story, Second Vice-President Colbruno, First Vice-President Cluver and President Butner

7. UPDATES/ANNOUNCEMENTS

Kristi McKenney, Assistant Aviation Director, announced new Aviation Employee.

Stacy Matson, Airport Operations Manager, introduced herself to the Board.

Communications Director, Mike Zampa, presented an employee recognition video featuring Jeremy Schmidt, Port Senior Mechanic.

8. SCHEDULING

President Butner re-appointed Commissioners Story & Martinez to serve on the Audit Committee. President Butner appointed Second Vice-President Colbruno to fill the vacant seat on the Audit Committee formerly held by Former Port Commissioner Hamlin. Commissioner Story will serve as Chair of the Audit Committee. All three Commissioners accepted their appointments to the Audit Committee.

OPEN FORUM

There were no Public Speakers in Open Forum.

ADJOURNMENT

There being no additional business, the Meeting was adjourned at the hour of 4:48 p.m.

Approved: January 24, 2019

Daria Edgerly
Secretary of the Board