



MINUTES

Thursday, December 12, 2019

Board Room – 2nd Floor

ROLL CALL

President Butner called the Regular Meeting of December 12, 2019 to order at the hour of 12:04 p.m. and the following Commissioners were in attendance:

Present: 5 - Commissioner Michael Colbruno, Commissioner Joan Story, Second Vice-President Barbara Leslie, First Vice-President Andreas Cluver and President Ces Butner

Excused: 2 - Commissioner Yui Hay Lee and Commissioner Arabella Martinez

1. CLOSED SESSION

President Butner convened the Board in Closed Session at 12:06 p.m. to hear the following Items:

Commissioner Yui Hay Lee arrived at the meeting at 12:26 p.m.

Commissioner Arabella Martinez arrived at the meeting at 12:52 p.m.

- 1.1 CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION** - (Significant Exposure to Litigation Pursuant to Paragraph (2) of Subdivision (d) of California Government Code Section 54956.9): **Number of Matter(s):** 4

File ID: [372-19]

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

Property: All 17 Food & Beverage Concessions Units at Oakland International Airport (approximately 21,000 square feet in locations throughout Terminals 1 and 2), Oakland, CA

Negotiating Parties: HFF Oak Venture, LLC; Rylo Management; Soaring Food Group, LLC; and SSP America OAK, LLC and Port of Oakland

Agency Negotiator: Bryant L. Francis - Director of Aviation

Under Negotiation: Price and Terms of Tenancy

Property: One Airport Drive, Oakland, CA

Negotiating Parties: Southwest Airlines and Port of Oakland

Agency Negotiator: Bryant, Francis, Director of Aviation

Under Negotiation: Price and Terms of Tenancy

Property: 7th Street, between approximately Maritime Street and I-880, Oakland, CA

Negotiating Parties: Alameda County Transportation Commission and Port of Oakland

Agency Negotiator: John Driscoll, Director of Maritime

Under Negotiation: Price and Terms of Tenancy

File ID: [373-19]

1.3 CONFERENCE WITH LABOR NEGOTIATOR - (Pursuant to California Government Code Section 54957.6):

Unrepresented Employee: Units H & M

File ID: [374-19]

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

Title: Executive Director

File ID: [375-19]

OPEN SESSION/ROLL CALL

President Butner called the Regular Meeting of December 12, 2019 to order in Open Session at the hour of 2:51 p.m.

Commissioner Arabella Martinez joined the meeting at 2:52 p.m.

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

CLOSED SESSION REPORT

Interim Port Attorney, Michele Heffes, reported that the Board had taken the following actions in Closed Session:

A motion made by Commissioner Colbruno, seconded by Commissioner Martinez, to approve Resolution 19-119. The motion carried by the following vote:

7 Ayes: Commissioner Michael Colbruno, Commissioner Yui Hay Lee, Commissioner Arabella Martinez, Commissioner Joan Story, Second Vice-President Barbara Leslie, First Vice-President Andreas Cluver and President Bunter.

Resolution 19-119: Resolution Approving And Authorizing Execution Of A Settlement

Agreement And Mutual Release With URS Corporation, FUGRO USA Land, Inc., And Yei Engineers, Inc. For Claims Arising From The Design Of Improvements At Berths 30 Through 33 In The Seaport In The Amount Of \$3,500,000.

A motion made by Commissioner Colbruno, seconded by Commissioner Martinez, to approve Resolution 19-130. The motion carried by the following vote:

7 Ayes: Commissioner Michael Colbruno, Commissioner Yui Hay Lee, Commissioner Arabella Martinez, Commissioner Joan Story, Second Vice-President Barbara Leslie, First Vice-President Andreas Cluver and President Bunter.

Resolution 19-130: Resolution Authorizing And Directing The Port Attorney's Office To Initiate Two Separate Legal Actions On Behalf Of The Port Of Oakland.

Ms. Heffes also reported tha Commissioner Yui Hay Lee was recused on the first reading of Port Ordinance 4539 and therefore meant to recuse himself on the second reading due to a potential financial conflict.

Ordinance 4539: Ordinance Authorizing and Approving a Second Amendment to the Temporary Rental Agreement with West Oakland Pacific Railroad LLC from January , 2020, Through December 31, 2020 with One Additional One-Year Extension Option For Rail Switching Services t the Railyard at a Fixed Compensation of \$5,350 Per Calendar Year Quarter and Variable Compensation of \$133.75 Per Rail Car in Excess of the Breakpoint.

2. CONSENT ITEMS

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

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

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

- 2.1 Resolution 19-120:** Consent to Change in Control in Ownership and Assignment of a Space/Use Permit to Provide Airline Ground Services and Letter Agreement to Space Use Permit at Oakland International Airport, from the Current Owners of G2 Secure Staff, LLC. to Tenex Capital Partners II, LP. **(Aviation)**

File ID: [\[365-19\]](#)

This Resolution was approved.

- 2.2 Ordinance 4544:** Authorize the Executive Director to Execute an Encroachment Agreement with Union Pacific Railroad Company to Install Radio Frequency Identification Device Equipment and Train Detection Equipment Associated with the Freight Intelligent Transportation System Program

on Railroad Property Along Middle Harbor Road. **(Maritime)**

File ID: [\[354-19\]](#)

This Ordinance was introduced on first reading.

- 2.4 Resolution 19-122**, Building Permit: for Alameda CTC to Install Intelligent Transportation System Elements, 651 Maritime Street, Maritime Area **(Engineering)**

File ID: [\[377-19\]](#)

This Resolution was approved.

- 2.5 Resolution 19-123**, Building Permit: for TraPac Improvements at Exit Gate, 2800 7th Street, Maritime **(Engineering)**

File ID: [\[376-19\]](#)

This Resolution was approved.

- 2.6 Ordinance 4540**, 2nd Reading Of An Ordinance Approving And Authorizing The Executive Director To Execute A No-Cost Temporary License Agreement With The San Francisco Bar Pilots For Vehicle Parking And Vessel Access At Berth 34 For A Term Of Three Years.

File ID: [\[368-19\]](#)

This Ordinance was approved.

- 2.7 Ordinance 4541**, 2nd Reading Of An Ordinance Approving And Authorizing The Executive Director To Enter Into A Temporary License Agreement With Alameda County Transportation Commission For Certain Port Lands Located Along 7th Street Near The Intersection Of 7th Street And Maritime Street Providing For Various Activities In Support Of The Construction Of The 7th Street Grade Separation East Project Through December 31, 2024.

File ID: [\[369-19\]](#)

This Ordinance was approved.

- 2.8 Ordinance 4542**, 2nd Reading Of An Approving Amendments To And The Restatement Of The By-Laws And Administrative Rules Of The Board Of Port Commissioners And Repealing All Prior Versions Thereof.

File ID: [\[370-19\]](#)

This Ordinance was approved.

- 2.9 Ordinance 4543**, 2nd Reading Of An Ordinance Approving And Authorizing The Executive Director To Execute A Lease With United Food Solutions For The Premises Located At 31 Webster Street And 38 Webster Street, Oakland, For A Ten (10) Year Term With One (1) Option To Extend For An Additional Six (6) Years For A Minimum Rental Amount Of \$1,260,876 Over

Ten Years.

File ID: [\[371-19\]](#)

This Ordinance was approved.

2.10 Minutes: Approval of the Minutes of the Special Meeting of November 14, 2019. **(Board)**

File ID: [\[362-19\]](#)

The Minutes were approved.

2.11 Report: Annual Change Order Report on Construction Contracts Substantially Completed during FY 18/19. **(Engineering)**

File ID: [\[327-19\]](#)

This Report was received and filed.

2.3 Resolution 19-121: Adoption of a Resolution Necessary to Authorize Modification of Section 4.1 of the Employment Agreement with Danny W. Wan. **(Finance & Admin.)**

File ID: [\[379-19\]](#)

Interim Port Attorney, Michele Heffes, and Human Resources Director, Michael Mitchell, presented Item 2.3.

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

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

3. MAJOR PROJECTS

3.1 Ordinance 4545: Approve an Amendment to Space/Use Permit with each of the Four Food & Beverage Concessionaires Operating at Oakland International Airport; Specifically: HFF OAK Venture, LLC ("HFF"); Rylo Management; Soaring Food Group, LLC; and, SSP America OAK, LLC ("SSP") to Modify each Space/Use Permit including Increasing the Employee Benefits Fee, Extending the Term by Three (3) Months, Add 1,636± Square Feet to SSP's Assigned Space at an Initial Monthly Rent of \$9,648, Augment Methods for Establishing the Square Footage of Each Unit, Formally Incorporate Two Units into the Definition of Assigned Space for HFF and SSP, Confirm Commencement Date for Payments into the Marketing and Mid-Term Refurbishment Funds, Extend the Rent Commencement Dates on a Unit-by-Unit Basis, Authorize the Director of Aviation to approve reimbursement through rent credits for certain Port-required improvements to be constructed by Concessionaires in an amount not to exceed \$100,000 per Unit, Waive the

Prohibition of Installing Game and Automated Vending Machines; and Restrict the Use of TSA Prohibited Items in SSP's Peet's Coffee Near Gates 26 and 27 (Unit No. T2-FB-G27). **(Aviation)**

File ID: [\[357-19\]](#)

Aviation Director, Bryant Francis, introduced Item 3.1.

Brandon Mark, Manger of Airport Properties, presented Item 3.1.

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

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

- 3.2 Ordinance 4546 and Resolution 19-124:** Approvals and Authorizations for the Airport Perimeter Dike Improvements (Phase 1B) Project: Approve Project Budget and Spending Authority of \$500,000, Authorize the Executive Director to execute the Access License Agreement with the City of San Leandro, and Authorize the Executive Director to execute the Assignment of Easement with Harbor Bay Isle Associates **(Aviation)**

File ID: [\[364-19\]](#)

Aviation Director, Bryant Francis, introduced Item 3.2.

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

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

4. BUDGET & FINANCE

- 4.1 Report:** Unaudited Financials for 3 months ended September 30, 2019 including Capital Expenditure Report . **(Finance & Admin)**

File ID: [\[297-19\]](#)

Chief Financial Officer, Sara Lee, presented Item 4.1.

Aviation Director, Bryant Francis, Delphine Prevost, Admin/Finance Services Manger, Commercial Real Estate Director, Pam Kershaw and Acting Engineering Director, Robert Andrews, addressed the Board on Item 4.1.

This Report was received and filed.

- 4.2 Resolution 19-125:** Authorization to Renew the Owner Controlled Insurance Program ("OCIP") Arranged and Paid Through a Prime Insurance Broker for a Three-Year Term and in an Amount

Not to Exceed \$5,900,000 Plus Posting of \$38,000 Escrow and \$387,166 in Collateral (subject to audit adjustment) and Related Actions. **Finance & Admin**

File ID: [\[298-19\]](#)

Chief Financial Officer, Sara Lee, introduced Item 4.2.

Josh Schultz, Port Risk Manager, presented Item 4.2.

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

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

5. STRATEGY & POLICY

- 5.1 Ordinance:** Approve Amendments to and the Restatement of the Purchasing Authorities and Procedures Ordinance and Repeal All Prior Versions Thereof. **(Port Attorney)**

File ID: [\[361-19\]](#)

Interim Port Attorney, Michele Heffes, presented Item 5.1.

John Banisadr, Port Purchasing Manager, addressed the Board on Item 5.1.

Item 5.1 was moved to the first meeting in February.

A motion was made by Commissioner Colbruno, seconded by First Vice-President Cluver, that the Ordinance be moved to subsequent meeting. The motion carried by the following vote:

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

- 5.2 Report:** The Feasibility of Zero-Emissions Drayage Trucks and Feasibility of Related Goals and Metrics. **(Engineering)**

File ID: [\[324-19\]](#)

Environmental Programs and Planning Director, Richard Sinkoff, introduced Items 5.2, 5.3 and 5.4.

Diane Heinze, Port Environmental Assessment Supervisor, presented Items 5.2 and 5.3.

Michelle Ghafer, Damian Breen, David Wooley, David Quiros and Brian Beveridge addressed the Board on Items 5.2 and 5.3.

This Report was received and filed.

- 5.3 Report:** The Feasibility of Zero-Emissions Container Handling Equipment and the Feasibility of Related Goals and Metrics. **(Engineering)**

File ID: [\[341-19\]](#)

This Report was received and filed.

- 5.4 Report:** Maritime Power Capacity Study for Terminal Electrification. **(Engineering)**

File ID: [\[353-19\]](#)

Jared Carpenter, Acting Utilities Manager, presented Item 5.4.

Damian Breen and David Wooley addressed the Board on Item 5.4.

This Report was received and filed.

6. REMAINING ACTION ITEMS

- 6.1 Resolution 19-126:** Approve a Construction Budget of \$2,038,000 for a Total Project Budget of \$2,578,000; Authorize the Director of Engineering to Approve the Plans and Project Manual; Authorize the Executive Director to Enter into a Contract with Valentine Corporation for an Amount of \$1,263,369; and Authorize the Executive Director to Execute Contract Change Orders to the Extent Necessary in an Amount Not-to-Exceed \$253,631 for Construction of Lift Station No. 2 Improvements, Oakland International Airport. **(Engineering/Aviation)**

File ID: [\[346-19\]](#)

Acting Engineering Director, Robert Andrews, introduced Item 6.1.

Barry MacDonnell, Port Supervising Engineer, presented Item 6.1.

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

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

- 6.2 Resolution 19-127:** Authorizing Executive Director to Enter Into A Purchasing Agreement with Western States Oil International to Procure Unleaded and Renewable Diesel Fuel for an Amount not to exceed \$450,000 annually through the extent of the City of Oakland contract expiring on June 30, 2023. **(Engineering)**

File ID: [\[323-19\]](#)

Acting Engineering Director, Robert Andrews, introduced Item 6.2.

Eric Fan, Facilities Support Supervisor, presented Item 6.3.

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

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

- 6.3 Resolution 19-128:** Authorize the Executive Director to Execute a Second Supplemental Agreement With EOA, Inc. for On-Call Environmental Consulting Services for Stormwater Program Compliance to Support the Port's Clean Water Program for An Additional \$98,500 and An Additional One-Year Contract Term **(Engineering)**

File ID: [\[342-19\]](#)

Environmental Programs and Planning Director, Richard Sinkoff, introduced Item 6.3.

Angela Clapp, Port Associate Environmental Planner/Scientist, presented Item 6.3.

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

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

- 6.4 Resolution 19-129:** Adoption of a Resolution Necessary to Appoint Michele Heffes as the Port Attorney Effective December 12, 2019, at an Annual Salary of \$323,655 Plus Benefits. **(Finance & Admin.)**

File ID: [\[378-19\]](#)

Human Resources Director, Michael Mitchell, introduced Item 6.4.

Port Attorney, Michele Heffes, addressed the Board on Item 6.4.

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

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

- 6.5 Ordinance 4547:** Enactment of the Ordinance Necessary to Create the New Classification of Chief Operating Officer ("COO"). **(Finance & Administration)**

File ID: [\[380-19\]](#)

Human Resources Director, Michael Mitchell, introduced Item 6.5.

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

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

7. UPDATES/ANNOUNCEMENTS

Commissioner Yui Hay Lee & First Vice-President Andreas Cluver reported on their recent trip to Asia, to meet with Maritime Customers. Executive Director Danny Wan and Director of Maritime John Driscoll also attended the meetings.

Director of Aviation, Bryant Francis reported on his recent trip to Dallas to meet with Southwest. President Ces Butner, Second Vice-President Barbara Leslie, Commissioner Joan Story and Executive Director Danny Wan attended the meeting in Dallas.

8. SCHEDULING

There were no "Scheduling Items" on the Agenda.

OPEN FORUM

There were no Public Speakers in Open Forum.

ADJOURNMENT

There being no additional business, the Meeting was adjourned at the hour of 5:54 p.m.

Approved: January 23, 2020.

Daria Edgerly
Secretary of the Board