

**MARITIME COMMITTEE
MEETING MINUTES
Thursday, October 31, 2002
12 Noon – 2:00 P.M.
2nd Floor Board Room**

Attendees:

Commissioner David Kramer
Commissioner Phil Tagami
Commissioner Pete Uribe (Excused)
Tay Yoshitani
Jerry Bridges
Joe Wong
Tom Clark

John Glover
Jerry Serventi
Gay Joseph
Sal DiGrande
David McAneny
Michael Beritzhoff
Dan Westerlin

The Maritime Committee meeting was called to order at 12:07 p.m.

Calendar Items:

Approval of Items for Board Meeting of November 5, 2002

Two discussion items were reviewed and recommended for consideration to the full Board:

1. Approval of agreement with East Bay Regional Park District for Management of Middle Harbor shoreline Park. [Board Item No: 31]
 - Under the proposed management agreement the Park District will manage and operate the MHSP on behalf of the Port, including maintenance and security with law enforcement, on a fee-for-service basis. They will manage the park in accordance with the provisions of the Department Park Operations Manual and will develop, in coordination with the Port, a MHSP operations guide specific to MHSP. Terms of agreement would commence on January 2003.
 - The agreement also gives Port sole authority to name the Park. The agreement may be canceled upon one-year prior written notice, effective no earlier than January 1, 2005, without cause by either party.
 - Brian Wiese, Manager – Long Range Planning, East Bay Regional Park District, was present to answer questions and confirmed that the Park District was satisfied with the current agreement.
 - Cost and expenses associated with the agreement will be carried as a Maritime Division expense item.
 - After initial start up payment, quarterly review by Port and EBRPD formed committee will assess, evaluate and resolve any issues.

In additional, the Park District Board previously requested that as part of the Management Agreement, the Port agree to set aside additional land for future use. A Resolution proposing an MOA for leases of Port Property to the Park District for park related purposes is being forwarding for Board of Port Commissioners approval on November 5th and East Bay Regional Park District Board approval on November 19th.

Commissioner Kramer cited the importance of characterizing the review activities of this proposed collaborative group as an oversight committee for the management agreement. Commissioner Kramer asked Mr. Weise (EBRPD) if the budget contemplates park employees versus contracting outside contractors. Mr. Weise remarked that park staff would fill the positions.

Commissioner Tagami expressed concern over developing a clear guideline/press for approving the naming of Port facilities. After receiving much feedback from West Oakland residents regarding the naming of MHSP, he would like to make the process clearer and include public involvement prior to resolution. He also notes that there are at least nine opportunities to place names within the park and possibly satisfy all interested parties. Recommended for approval.

2. Ratification of Change Orders to Contract for Construction of Berth 25 Yard Expansion – Unforeseen Site Conditions. **[Board Item No: 32] Recommended for approval.**

Approval of Items for Board Meeting of November 19, 2002

Six discussion items were reviewed and recommended for consideration to the full Board:

1. Authorization to Reject All Bids and to Negotiate with the Lowest Responsible Responsive Bidder for Construction of Storage Track, Compressed Air System, and Miscellaneous Improvements to the Joint Intermodal Terminal, Vision 2000. **The full Commission previously approved this item. Staff has received bids on all bidders were substantially above amount allocated for project. We request authority to reject all bids at this time and negotiate with lowest bidder. Recommended for approval.**
2. Award of Contract for Annual Dredging of Port of Oakland Berths for the Period Commencing January 1, 2003 and Ending December 31, 2003, 2004, or 2005. **This item recommended for approval pending additional information to be forwarded by staff prior to November 19, 2002 Board meeting.**
3. Authorization to Exceed Purchase Order Limits for Interim Office Complex Trailers at Berths 57-59, Vision 2000. **Staff explained that the costs for this project will exceed approved amount by \$50K. Recommended for approval.**
4. Approval of Second Supplemental Agreement with David Gates and Associates and Thruston Design Group for Engineering Design Services for Construction of Public Access Improvements for Berths 55-59, Inner Harbor. **Recommended for approval.**

Information Items:

Work Plan – The Work Plan is living document that we have drafted and want to use as a template to gauge current and future strategies/direction for Maritime. Commissioner Kramer inquired if wording with reference to Commissioners suggests anything that conflicts with the Brown Act, Sunshine Ordinance, etc. Port Attorney explained that all committees proceed under the Brown Act and are therefore in accordance.

Market Segmentation - Staff updated Committee on Board approved study. Martin and Associates were awarded the contract. A review of data collected will be completed next week. Information collected thus far, shows opportunities and reveals good information to assist in informing future marketing strategies. Major targets appear to be WalMart, Target Stores and other retailers at that level, to see how we can entice more of their cargo to move through our Port.

Committee expressed its pleasure with the direction staff is taking in addressing all marketing issues. Commissioner Tagami would like staff to direct some energy towards better understanding opportunities in other states that we might want to explore. Also, key business opportunities that we might derive from Southern California diverted business during the recent labor transitions. We need to build more relationships and focus on trade within the United States.

Quarterly Financial Update (Gay Joseph) – Recently we re showing an increase up 30 – 50% compared to last year this time. We had been in an economic slope and have been upward since the beginning of this fiscal year. There has been a turn around with Hawaii coming back. Year to date we still see some affects of economic downturn. We are up by 1% and had been in the past, operating at a double digit negative. Since the fiscal year we are very aggressive. Evergreen is bringing in first port of call and increasing productivity on a month-by-month basis. Confirmation of activity from Maersk. We received five or six vessels diverted from Southern California. We lost only two ships diverted to other Ports during the recent labor strike and Port congestion. From a financial standpoint we are down some money. Berth 57–59 is opening several months later than projected. We are looking for more ships to be diverted here during the month of November.

The trucking industry is complaining about congestion, long wait times. We toured and interviewed truckers at our facilities and found that some terminal congestion is hindering truckers from getting their job done, while some truckers are having no problem. We are investigating the level of service truckers are receiving from our terminals and research the legislative actions truckers may be taking due to their impacts felt. Commissioner Tagami requests that an outside party conduct the study of trucker/terminal issues. Port would like to remain neutral but also assist in resolving outstanding issues. He further notes that the Lowenthal Bill and Taft Hartley Act will be coming to transition around the same period. We need Government affairs staff to track and work on potential legislative actions that may affect the Port. An independent study would assist in providing legislators with more reality or mitigation to potential legislative actions from the Lowenthal Bill. A study showing number of vessels, gate moves and waiting time would be well received.

Commissioner Kramer points out that a study should note that this period of time is unusual with backlog due to recent labor disputes. Some type of measurement should be provided.

Appearances: Sanjiv Handa, East Bay News Service expressed gratitude for Port of Oakland's continued contribution to City of Oakland's revenue. He pointed out the decline in all other businesses throughout Oakland since Jerry Brown has been Mayor. He noted that there is a parcel tax on the November ballot that attendees should be informed about in reference to it's affect on Oakland tax payers.

Items Requiring Closed Session: Meeting entered closed session at 1:10 p.m. Open meeting resumed at 1:33 p.m. with no additional discussion items.

Meeting adjourned at 1:33 p.m.

Next Meeting:

The Committee's next meeting is tentatively scheduled for **Thursday, November 21, 2002, in the 2nd Floor Board Room at 12:00 p.m.**