

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
SPECIAL BOARD
AND
SPECIAL EXECUTIVE COMMITTEE MEETING MINUTES
THURSDAY, APRIL 16, 2020
BOARD ROOM**

CALL TO ORDER: Chairman Boling called the Special Board and Special Executive meeting to order at 9:05 a.m., on Thursday, April 16, 2020, via teleconference, pursuant to Executive Order N-29-20, at the San Diego International Airport, Administration Building, 3225 N. Harbor Drive, San Diego, CA 92101.

ROLL CALL:

Board

Present: Boling (Chairman), Blakespear, Kersey, Lloyd, McNamara, Robinson, Schiavoni, West

Absent: Cox, Dallarda (Ex-Officio), Dockery (Ex-Officio), Miller (Ex-Officio)

Executive Committee

Present: Committee Members: Boling (Chairman), Lloyd, Robinson

Absent: Committee Member: None

Also Present: Kim Becker, President/CEO; Amy Gonzalez, General Counsel; Tony R. Russell, Director, Board Services/Authority Clerk; Linda Gehlken, Assistant Authority Clerk I

NON-AGENDA PUBLIC COMMENT: Tony R. Russell, Authority Clerk, read the non-agenda public comments received into the record.

FARAIDON BUSTANI, requested that the Authority postpone opening permits for City cabs until taxis recover from these challenging times.

MOHAMMAD TARIQ, SAN DIEGO, requested a postponement to the opening of the airport to all taxis until after the COVID-19 situation is resolved.

GEORGE SADAT, requested that the airport not be open to all cabs.

RAY SEYED SALEHI, requested that the airport not open permits to all taxis.

BELAL QARGHA, requested that the Authority stop the insurance requirement and give a three year extension to December 2023 due to COVID-19.

IRAJ ARYANPOUR, requested that the Authority postpone opening the airport to all taxis for at least another year.

EDRIS WAHAB, requested that the Authority postpone opening the airport to all cabs in 2021.

WILLIAM ALOZIE, requested a hold on the Open permit issue for now.

ABEL SEIFU, requested that the Authority extend the opening of permits by at least a year so that permit holders will be compensated fairly.

HOSSEIN TABATABAI, requested that the January 2021 start date for permitting all cabs to work at the airport be postponed. He also requested adding the postponing of permits to a future agenda.

ZABIULLAH QARGHA, requested that the Authority extend the permit opening to all cabs in San Diego City for three years, until 2023.

JAMES QARGHA, requested that the Authority postpone opening permits to all taxis to 2023.

EXECUTIVE COMMITTEE:

1. APPROVAL OF MINUTES:

RECOMMENDATION: Approve the minutes of the February 24, 2020 regular meeting.

ACTION: Moved by Board Member Robinson and seconded by Board Member Lloyd to approve staff's recommendation. Motion carried unanimously.

2. PRE-APPROVAL OF TRAVEL REQUESTS AND APPROVAL OF BUSINESS AND TRAVEL EXPENSE REIMBURSEMENT REQUESTS FOR BOARD MEMBERS, THE PRESIDENT/CEO, THE CHIEF AUDITOR AND GENERAL COUNSEL:

RECOMMENDATION: Pre-approve travel requests, and approve business and travel expense reimbursement requests.

ACTION: Moved by Board Member Robinson and seconded by Board Member Lloyd to approve staff's recommendation. Motion carried unanimously.

REVIEW OF FUTURE AGENDAS:

3. REVIEW OF THE DRAFT AGENDA FOR THE MAY 7, 2020 BOARD MEETING:

Kimberly J. Becker, President/CEO, provided an overview of the May 7, 2020 Draft Board Agenda. She stated that she would be adding a presentation update on COVID-19 as a standing item for all Board meetings.

Amy Gonzalez, General Counsel, requested that an item be added to Closed Session regarding negotiations with rental car companies.

Tony Russell, Authority Clerk, reported that Airport Planning staff has requested the addition of an item regarding the extension of a contract term for the Quieter Home Program, Project 9 Group 12 with G&G Specialty Contractors, Inc. increasing the term from 384 days to 584 days.

The Committee concurred to accept the May 7, 2020 Draft Board agenda as amended.

4. REVIEW OF THE DRAFT AGENDA FOR THE MAY 7, 2020 AIRPORT LAND USE COMMISSION MEETING:

Kimberly J. Becker, President/CEO, provided an overview of the May 7, 2020 Draft Airport Land Use Commission meeting agenda.

BOARD

5. DECLARE THE EXISTANCE OF A LOCAL EMERGENCY IN RESPONSE TO THE SERIOUS AND IMMINENT THREAT OF THE NOVEL CORONAVIRUS (COVID-19):

Kim Becker, President/CEO, stated that COVID-19 has had a tremendous impact on the aviation industry, and stated that passenger traffic, both at SAN, and nationally, is down approximately ninety-six percent from the same time last year. She provided a federal overview of action taken in support of the aviation industry, because of COVID-19, and reported that SAN will be receiving \$91.2M as its share of the CARE Act passed by Congress in March.

Amy Gonzalez, General Counsel, provided an overview of the staff report and resolution declaring a State of Emergency in response to the serious and imminent threat of COVID-19. She stated that declaring a State of Emergency will allow the Authority to be nimble and take action as needed during these uncertain and quickly changing times. She provided an overview of certain powers granted to the President/CEO during this State of Emergency and stated that the Declaration will provide immunity to the Authority under the law for certain actions that may be taken. She stated that if adopted, the Declaration would be in effect for sixty days. She stated that any action taken under the Resolution would be reported to the Board.

RECOMMENDATION: Adopt Resolution No. 2020-0044, declaring the existence of a local emergency in connection with preparations the Airport Authority is making and actions it is taking in response to the serious and imminent threat of the novel coronavirus (COVID-19) and compliance with health authorities' applicable guidance regarding COVID-19.

ACTION: Moved by Board Member Schiavoni and seconded by Board Member Robinson to approve staff's recommendation. Motion carried by the following votes: YES – Blakespear, Boling, Kersey, Lloyd, McNamara, Robinson, Schiavoni, West; NO – None; ABSENT – Cox; (Weighted Vote Points: YES – 92; NO – 0; ABSENT – 8)

Adopt Resolution No. 2020-0045, "Designation of Applicant's Agent Resolution for Non-State Agencies," designating the President/CEO and the Vice President/COO as the Airport Authority's agents for purposes of applying for disaster relief funds.

ACTION: Moved by Board Member Schiavoni and seconded by Board Member Robinson to approve the staff's recommendation. Motion carried by the following votes: YES – Blakespear, Boling, Kersey, Lloyd, McNamara, Robinson, Schiavoni, West; NO – None; ABSENT – Cox; (Weighted Vote Points: YES – 92; NO – 0; ABSENT – 8)

6. REVIEW OF THE UNAUDITED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED MARCH 31, 2020 AND THE AUTHORITY'S INVESTMENT REPORT AS OF MARCH 31, 2020:

Scott Brickner, Vice President/CFO, provided a presentation on the Review of the Unaudited Financial Statements for the Nine Months Ended March 31, 2020, that included Enplanements, Gross Landing Weight Units, Operating Revenue, Operating Expenses, Net Operating Income, Nonoperating Revenue & Expenses, and Statements of Net Position.

Scott Brickner, Vice President/CFO, provided a presentation on the Authority's Investment Report as of March 31, 2020 that included Portfolio Characteristics, Sector Distribution, Quality & Maturity Distribution, Investment Performance, and Bond Proceeds.

BUDGET WORKSHOP:

7. PROPOSED CAPITAL PROGRAM BUDGET FISCAL YEARS 2021-2025:

Dennis Probst, Vice President/CDO, reported that due to the impacts of the COVID-19 pandemic, Capital Program projects for Fiscal Years 2021-2025 have been re-evaluated and timelines adjusted, as warranted.

Bob Bolton, Director, Airport Design & Construction and John Dillon, Director, Finance & Risk Management, provided a presentation on the Capital Program Budget Fiscal Years 2021-2025 that included Capital Program Overview, Current Capital Program Project Status, Current FY2020 - 2024 Capital Program – Budget by Location, CIP Project Development Process, Prioritization Criteria, Proposed Capital Projects, Proposed FY2021-2025 Capital Project Adjustments/ Allowances, Current FY2020 - 2024 Capital Program – Project Closeouts/ Eliminations/ Adjustments, Capital Program Budget Summary, Proposed FY2021 - 2025 Capital Program – Source of Funds, and Proposed FY2021 - 2025 Capital Program – On-Hold Values.

In response to Board Member West regarding how staff envisions the pandemic affecting the ADP moving forward, Kim Becker, President/CEO, stated that staff is continuing with planning and is meeting with airlines next week to discuss plans.

Dennis Probst, Vice President/CDO, stated that staff is working to maintain the ADP schedule as best we can as we move forward during the pandemic.

Chairman Boling suggested looking at projects that could be done at this time that could save the Authority money due to the lack of congestion.

The Board recessed at 11:14 a.m. and reconvened at 11:19 a.m.

CLOSED SESSION: The Board recessed into Closed Session at 11:20 a.m. to discuss all items.

- 8. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION:**
(Paragraph (1) of subdivision (d) of Cal. Gov. Code §54956.9)
Name of Case: Quiet Skies San Diego v. San Diego County Regional Airport Authority
San Diego Superior Court Case No. 37-2020-00007998-CU-TT-CTL
- 9. CONFERENCE WITH LABOR NEGOTIATORS**
(Cal. Gov. Code section 54957.6)
Agency designated representatives: Angela Shafer-Payne, Lola Barnes, Greg Halsey, Rod Betts
Employee Organization: California Teamsters Local 911
- 10. CONFERENCE WITH REAL PROPERTY NEGOTIATORS:**
Property: Airline Operating and Lease Agreement-San Diego International Airport
Agency Negotiators: Kim Becker, Scott Brickner, John Dillon, Kathy Kiefer, Amy Gonzalez
Negotiating Parties: Air Canada, Alaska Airlines, Allegiant Airlines, American Airlines, AmeriFlight, Atlas Air, British Airways, Delta Airlines, Edelweiss, FedEx, Frontier Airlines, JetBlue Airlines, Lufthansa, Southwest Airlines, Spirit, Sun Country, Japan Airlines, United Airlines, UPS, West Air, West Jet
Hawaiian Airlines
Under Negotiation: Price and Terms of Payment

11. CONFERENCE WITH REAL PROPERTY NEGOTIATORS:

Property: Food & Beverage and Retail Concession Leases - San Diego
International Airport

Agency Negotiators: Kim Becker, Scott Brickner, Hampton Brown, Jim DeCock
Negotiating Parties: SSP American Inc., HG-CV Epicure Martinez San Diego,
Mission Yogurt Inc., Host International, Inc., PGC-PCI San Diego, Paradies-San
Diego LLC, ZoomSystems Inc., InMotion Entertainment Group, LLC, SFS Beauty
CA, LLC, SFS Investors JV, Spa Didicus, Inc., Stellar Partners, Inc,
Under Negotiation: Price and Terms of Payment

12. THREAT TO PUBLIC SERVICES OR FACILITIES:

Consultation with: General Counsel and President/CEO

REPORT ON CLOSED SESSION: The Board reconvened out of Closed Session at
12:54 p.m. There was no reportable action.

COMMITTEE MEMBER COMMENTS: None.

ADJOURNMENT: The meeting adjourned at 12:54 p.m.

APPROVED BY A MOTION OF THE SAN DIEGO COUNTY REGIONAL AIRPORT
AUTHORITY BOARD THIS 4TH DAY OF JUNE, 2020.

ATTEST:



TONY R. RUSSELL
DIRECTOR, BOARD SERVICES/
AUTHORITY CLERK

APPROVED AS TO FORM:



AMY GONZALEZ
GENERAL COUNSEL