

**SPECIAL SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY BOARD  
MINUTES  
THURSDAY, JUNE 2, 2011  
BOARD ROOM**

**CALL TO ORDER:** Chair Gleason called the special meeting of the San Diego County Regional Airport Authority Board to order at 8:00 a.m. on Thursday, June 2, 2011 in the Board Room at the San Diego International Airport, Commuter Terminal, 3225 North Harbor Drive, San Diego, CA 92101.

**PLEDGE OF ALLEGIANCE:** Board Member Panknin led the pledge of allegiance.

**ROLL CALL:**

**PRESENT:** Board Members: Berman (Ex-Officio), Boland, Desmond, Gleason, Hubbs, Panknin, Richie (Ex-Officio), Robinson, Smisek, Young

**ABSENT:** Board Members: Cox, Reyes (Ex-Officio)

**ALSO PRESENT:** Thella F. Bowens, President/CEO; Breton K. Lobner, General Counsel; Tony R. Russell, Director, Corporate Services/Authority Clerk, Lisa Wolfson, Assistant Authority Clerk II

**PRESENTATIONS:**

**REPORTS FROM BOARD COMMITTEES, AD HOC COMMITTEES, AND CITIZEN COMMITTEES AND LIAISONS:**

***STANDING BOARD COMMITTEES***

- **AUDIT COMMITTEE:**  
Board Member Smisek announced that at the next meeting the Committee will interview applicants to fill the vacant public member position on the Committee.
- **EXECUTIVE PERSONNEL AND COMPENSATION COMMITTEE:**  
Board Member Boland reported that the Committee reviewed performance plans for the President/CEO and General Counsel for 2012.
- **FINANCE COMMITTEE:** None.
- **TERMINAL DEVELOPMENT PROGRAM COMMITTEE:**  
Board Member Boland reported that the Committee will review the Guaranteed Maximum Payment at the next Committee meeting.

## **ADVISORY COMMITTEES**

- **AUTHORITY ADVISORY COMMITTEE:**  
Board Member Panknin reported that he and Board Member Desmond have been working with staff on changes to the policy governing the Committee.
- **PUBLIC ART ADVISORY COMMITTEE:**  
Chair Gleason reported that he did not attend the May 13 meeting; however, he provided an overview of the topics discussed at the meeting. He reported that the Committee approved a new public art opportunity in Terminal 2 East. He announced that the American Association of Airport Executives will conduct an Art in Airports workshop in San Diego June 12-14 and that the Americans for the Arts' annual conference will be held in San Diego June 16-18. He also reported that an arts consultant has been hired to review the art program's mission statement, policies, and procedures.

## **LIAISONS**

- **AIRPORT LAND USE COMPATIBILITY PLAN FOR SAN DIEGO INTERNATIONAL AIRPORT:**  
Board Member Robinson reported that the Steering Committee met on April 28, which resulted in requested revisions to the proposed noise matrix and policies that have now been completed and sent to meeting participants. He stated that staff will be seeking policy direction from the ALUC on noise compatibility at an upcoming meeting.
- **CALTRANS:** None.
- **INTER-GOVERNMENTAL AFFAIRS:**  
Michael Kulis, Director, Inter-Governmental Relations, reported that staff provided airport updates to City of San Diego Councilmember Todd Gloria, Councilmember Lorie Zapf; staffs from Council District 2; Council District 5, and provided updates and an airfield tour to Assemblymember Toni Atkins. He reported that staff will brief Councilmember Marti Emerald on June 9. He also reported that Chair Gleason and Thella F. Bowens, President/CEO, participated in an Assembly Select Committee on San Diego Trade, Tourism, and Job Creation hearing on May 6.
- **MILITARY AFFAIRS:**  
Board Member Boland reported that the USO Council of San Diego presented an award to the Authority recognizing the Authority as the corporate honoree for 2011.

- **PORT:**  
Chair Gleason reported that the liaisons and staff continue to address key issues with the Port, which include budget issues and Harbor Police.

***BOARD REPRESENTATIVES (EXTERNAL)***

- **SANDAG TRANSPORTATION COMMITTEE:**  
Board Member Smisek reported the next meeting of the Committee will be in two weeks. He stated that the ridership on public transportation has increased.
- **WORLD TRADE CENTER:** None.

**CHAIR'S REPORT:**

Chair Gleason thanked the staff and Board Members who attended last night's incoming inaugural flight of British Airways. He also commented that Volaris will begin daily non-stop flights next month. He announced that a "topping off" ceremony will be held for the Green Build on June 8.

**PRESIDENT/CEO'S REPORT:**

Thella F. Bowens, President/CEO, reported on the success of the British Airways festivities and inaugural flight. She stated that on June 4 she will attend the Airport Authority Minority Council/Federal Aviation Administration diversity conference, where the Authority will receive a diversity award for the Authority's outreach program designed for small and minority-owned businesses. She announced that the concessions RFP closed on May 25. She stated that the Authority received the Golden Watchdog award from the San Diego County Taxpayers Association for the recent bond issuance and that staff is continuing with the roll-out of the strategic engagement process.

**NON-AGENDA PUBLIC COMMENT:**

**CONSENT AGENDA (Items 1-17):**

Chair Gleason requested that Item 6 be pulled from the Consent Agenda to receive a brief presentation and to hear public comment.

**ACTION: Moved by Board Member Boland and seconded by Board Member Young to approve the Consent Agenda as amended. Motion carried by the following vote: YES – Boland, Desmond, Gleason, Hubbs, Panknin, Robinson, Smisek, Young; NO – None; ABSENT – Cox. (Weighted Vote Points: YES – 92; NO – 0; ABSENT – 8)**

1. **APPROVAL OF MINUTES:**  
RECOMMENDATION: Approve the minutes of the May 5, 2011 regular meeting.
2. **APPROVAL OF OUTSTANDING MINUTES FOR THE REGIONAL AVIATION STRATEGIC PLAN (RASP) COMMITTEE:**  
RECOMMENDATION: Approve the minutes of the November 18, 2010 and the January 11, 2011 meetings of the now defunct Regional Aviation Strategic Plan (RASP) Committee.
3. **ACCEPTANCE OF BOARD AND COMMITTEE MEMBERS WRITTEN REPORTS ON THEIR ATTENDANCE AT APPROVED MEETINGS AND PRE-APPROVAL OF ATTENDANCE AT OTHER MEETINGS NOT COVERED BY THE CURRENT RESOLUTION:**  
RECOMMENDATION: Accept the reports and pre-approve Board member attendance at other meetings, trainings and events not covered by the current resolution.
4. **AWARDED CONTRACTS, APPROVED CHANGE ORDERS FROM APRIL 11, 2011 THROUGH MAY 8, 2011 AND REAL PROPERTY AGREEMENTS GRANTED AND ACCEPTED FROM APRIL 11, 2011 THROUGH MAY 8, 2011:**  
RECOMMENDATION: Receive the report.
5. **JUNE 2011 LEGISLATIVE REPORT:**  
RECOMMENDATION: Adopt Resolution No. 2011-0060, approving the June 2011 Legislative report.
6. **AMEND AUTHORITY CODE 9.12 – GROUND TRANSPORTATION PERMITS:**  
**ACTION: This item was pulled from the Consent Agenda for discussion.**

## **CLAIMS**

7. **AUTHORIZE THE REJECTION OF THE CLAIM OF HELEN MEJALA:**  
RECOMMENDATION: Adopt Resolution No. 2011-0062, authorizing the rejection of the claim of Helen Mejala.
  
8. **AUTHORIZE THE REJECTION OF THE CLAIM OF KEN AND JILL KLEMPAN:**  
RECOMMENDATION: Adopt Resolution No. 2011-0063, authorizing the rejection of the claim of Ken and Jill Klempan.

## **COMMITTEE RECOMMENDATIONS**

9. **ANNUAL REVIEW AND APPROVAL OF AMENDMENTS TO AUTHORITY POLICY 4.20 – GUIDELINES FOR PRUDENT INVESTMENTS, AND DELEGATION OF AUTHORITY TO INVEST AND MANAGE AUTHORITY FUNDS TO THE VICE PRESIDENT, FINANCE/TREASURER:**  
RECOMMENDATION: The Finance Committee recommends that the Board adopt Resolution No. 2011-0064, amending Authority Policy 4.20 – Guidelines for Prudent Investments, and delegating authority to invest and manage Authority funds to the Vice President, Finance/Treasurer.
  
10. **FISCAL YEAR 2011 THIRD QUARTER AUDIT ACTIVITIES REPORT, AND REPORT ON AUDIT RECOMMENDATIONS ISSUED BY THE OFFICE OF THE CHIEF AUDITOR:**  
RECOMMENDATION: The Audit Committee recommends that the Board accept the report.
  
11. **FISCAL YEAR 2012 AUDIT PLAN OF THE OFFICE OF THE CHIEF AUDITOR:**  
RECOMMENDATION: The Audit Committee recommends that the Board accept the plan.
  
12. **EXTERNAL AUDITOR'S FISCAL YEAR ENDED JUNE 30, 2010, CUSTOMER FACILITY CHARGE COMPLIANCE REPORT:**  
RECOMMENDATION: The Audit Committee recommends that the Board accept the report.
  
13. **REQUIRED COMMUNICATIONS FROM THE EXTERNAL AUDITOR TO THE AUDIT COMMITTEE ON THE FISCAL YEAR ENDED JUNE 30, 2011, FINANCIAL AND COMPLIANCE AUDIT:**  
RECOMMENDATION: The Audit Committee recommends that the Board receive the report.

## **CONTRACTS AND AGREEMENTS**

- 14. AUTHORIZE THE PRESIDENT/CEO TO EXECUTE A SECOND AMENDMENT TO THE CONTRACT WITH HARRIS MILLER MILLER AND HANSON INC.:**  
RECOMMENDATION: Adopt Resolution No. 2011-0066, authorizing the President/CEO to execute a second amendment to the contract with Harris Miller Miller and Hanson Inc. extending the term to December 31, 2011.
- 15. AWARD A CONTRACT TO ATLAS DEVELOPMENT CORPORATION, FOR QUIETER HOME PROGRAM PHASE 5, GROUP 12 (21 EAST SIDE, NON-HISTORIC, CONDOMINIUM UNITS IN 2 CONDOMINIUM BUILDINGS AND 11 SINGLE FAMILY UNITS ON 10 RESIDENTIAL PROPERTIES):**  
RECOMMENDATION: Adopt Resolution No. 2011-0067, awarding a contract to Atlas Development Corporation, in the amount of \$954,729, for Phase 5, Group 12, Project No. 380512, of the San Diego County Regional Airport Authority's Quieter Home Program.
- 16. GRANT AN EASEMENT TO SAN DIEGO GAS & ELECTRIC COMPANY ("SDG&E") IN CONNECTION WITH THE GREEN BUILD PROJECT:**  
RECOMMENDATION: Adopt Resolution No. 2011-0068, granting an easement to San Diego Gas and Electric Company ("SDG&E") for electrical and gas service, for a term commensurate with the remaining or extended term of the San Diego County Regional Airport Authority's ("Authority") Lease from the San Diego Unified Port District ("Port"), commonly referred to as the Master Lease; and authorizing the President/CEO to execute the Easement.
- 17. AUTHORIZE THE PRESIDENT/CEO TO EXECUTE AMENDMENT NO. 1 TO THE LEASE WITH THE SAN DIEGO UNIFIED PORT DISTRICT ("PORT") FOR PROPERTY COMMONLY REFERRED TO AS THE FORMER GENERAL DYNAMICS SITE:**  
RECOMMENDATION: Adopt Resolution No. 2011-0069, authorizing the President/CEO to execute Amendment No. 1 to the Lease with the Port covering property commonly referred to as the former General Dynamics Site ("Lease") to increase the premises by approximately 35,720 square feet for property rights necessary to construct improvements supporting the Washington Street Intersection and Access Improvements Project.

**ITEM(S) PULLED FROM THE CONSENT AGENDA FOR DISCUSSION:**

**6. AMEND AUTHORITY CODE 9.12 – GROUND TRANSPORTATION PERMITS:**

Vernon Evans, Vice President, Finance/Treasurer provided a presentation, which included background, taxicab service availability improvement actions, results of taxicab inventory increases and program improvements. He also presented information regarding taxicab passenger wait times.

MIKE MCDADE, SAN DIEGO, expressed concern regarding late night taxicab service, noting that there is little communication between the taxicabs and the Airport's Customer Service Representatives (CSRs), and the need for additional cameras in the hold lots. He also expressed concern about the trip fee and the future increase to \$1.

TONY HUESO, SAN DIEGO, stated that taxicab driver training does not address key issues, such as a language barrier. He requested assistance with having the trip fee placed on the meter.

NASSER TEHRANI, POWAY, spoke of the need for additional cameras and for the CSRs to anticipate the arrival of travelers in order to alert taxicab drivers sooner to reduce the wait times.

KAMRAN HAMIDI, SAN DIEGO, submitted correspondence that proposed the taxi hold lot be relocated to reduce the passenger wait times.

In response to Board Member Robinson regarding the process to place the taxicab trip fee on the meter, Breton Lobner, General Counsel stated that MTS and the City of San Diego have not approved the trip fee being added to the meter. He stated that he continues to work closely with the San Diego City Attorney.

Board Member Robinson expressed his desire to meet with the City Attorney for the City of San Diego and the Chair of MTS, along with Mr. Lobner, to get the trip fee issue resolved.

Thella F. Bowens, President/CEO suggested that the authorization of additional daily taxicab service be extended for one year and that staff continue to monitor the taxicab inventory and passenger wait times.

Chair Gleason expressed concern regarding the wait times, and asked staff to look at other sites for hold lots as a long-term solution.

Board Member Desmond requested that staff report back to the Board on the effect of the changes and their impact on wait times in November.

**ACTION: Moved by Board Member Boland and seconded by Board Member Desmond to adopt Resolution No. 2011-0065R, amending Authority Code 9.12 – Ground Transportation Permits, authorizing additional daily taxicab service at San Diego International Airport for one year. Motion carried by the following vote: YES – Boland, Desmond, Gleason, Hubbs, Panknin, Robinson, Smisek, Young; NO – None; ABSENT – Cox. (Weighted Vote Points: YES – 92; NO – 0; ABSENT – 8)**

**PUBLIC HEARINGS:**

**OLD BUSINESS:**

**NEW BUSINESS:**

**18. ADOPTION OF THE OPERATING BUDGET FOR FISCAL YEAR 2012 AND THE CAPITAL PROGRAM FOR FISCAL YEARS 2012-2016 AND CONCEPTUAL APPROVAL OF THE OPERATING BUDGET FOR FISCAL YEAR 2013:**

Vernon Evans, Vice President, Finance/Treasurer provided a presentation, which included Organizational Strategies & Guiding Principles; Budget Assumptions; Revenue Budget Overview; Expense Budget Overview; Proposed Capital Improvement Program FY 2012-FY 2016; and Plan of Finance FY 2012-FY 2016.

Jeffrey Woodson, Vice President, Administration, provided a presentation on the Airport Authority's employee benefits, which included an historical perspective on healthcare and retirement; proposed budget expenses; present status; and actions to address the future.

Board Member Young advised staff of the recent Police Officers Association court case in which it was ruled that benefits were not vested.

Board Member Robinson encouraged staff to meet with the City of San Diego's Mayor's office regarding the Police Officers Association court ruling and its impact on the cost of their benefits.

KAMRAN HAMIDI, SAN DIEGO, requested that the Board remove the taxi trip fee from the budget submitted for approval.



Chair Gleason stated that last year the Board approved a permit fee of \$200 for limousines; however, in interpreting the staff report and resolution, staff phased in the permit fee over four years rather than all at once. He questioned whether it was the intent of the Board to phase in the fee over four years or to implement it all at once. He suggested that the issue be discussed at the next Executive Committee meeting.

**RECOMMENDATION:** Adopt Resolution No. 2011-0061, approving the Authority's Annual Operating Budget for Fiscal Year 2012 and the Capital Program for Fiscal Years 2012-2016 and conceptually approving the operating budget for Fiscal Year 2013.

**ACTION:** Moved by Board Member Panknin and seconded by Board Member Robinson to adopt Resolution No. 2011-0061, approving the Authority's Annual Operating Budget for Fiscal Year 2012 and the Capital Program for Fiscal Years 2012-2016 and conceptually approving the operating budget for Fiscal Year 2013; and to direct that an item be added to the next Executive Committee meeting agenda to discuss cost recovery for limousines. Motion carried by the following vote: YES – Boland, Desmond, Gleason, Hubbs, Panknin, Robinson, Smisek, Young; NO – None; ABSENT – Cox. (Weighted Vote Points: YES – 92; NO – 0; ABSENT – 8)

**CLOSED SESSION:** The Board recessed into Closed Session at 9:32 a.m. to discuss Item 19 and Item 23.

19. **CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:**  
Initiation of litigation pursuant to subdivision (c) of Section 54956.9: (1 case)
20. **CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION:**  
(Government Code Section 54956.9 (a)):  
San Diego Unified Port District v. TDY Industries, Inc., et al., and related cross-actions. U.S. District Court, Southern District Case No. 03 CV 1146-B (POR).
21. **CONFERENCE WITH REAL PROPERTY NEGOTIATORS:**  
Real property negotiations pursuant to Cal. Gov. Code Sections 54954.5(b) and 54956.8:  
Property: Salt Plant – 17 acre parcel located at 1470 Bay Boulevard, San Diego  
Agency Negotiators: Vernon D. Evans, Vice President, Finance/Treasurer  
Negotiating Parties: United States Fish and Wildlife Service, GGTW, LLC (current tenant) and/or other interested parties  
Under Negotiation: Sale – terms and conditions.

22. **CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION:**  
(Cal. Gov. Code Section 54956.9(a)):  
City of San Diego, Historical Resources Board: In re: Western Salt Company  
Salt Works, Report No. HRB-08-005
23. **CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION:**  
(Cal. Gov. Code Section 54956.9(a)):  
West Tech, Inc. v. San Diego County Regional Airport Authority, et al.,  
L.A.S.C 37-2010-00106565-CU-BC-CTL

**REPORT ON CLOSED SESSION:** The Board reconvened into Open Session at 10:27 a.m. Breton Lobner, General Counsel, stated that there was no reportable action.

**NON-AGENDA PUBLIC COMMENT:** None.

**GENERAL COUNSEL REPORT:** None.

**BUSINESS AND TRAVEL EXPENSE REIMBURSEMENT REPORTS FOR BOARD MEMBERS, PRESIDENT/CEO, CHIEF AUDITOR AND GENERAL COUNSEL WHEN ATTENDING CONFERENCES, MEETINGS, AND TRAINING AT THE EXPENSE OF THE AUTHORITY:**

**BOARD COMMENT:**

**ADJOURNMENT:** The meeting was adjourned at 10:28 a.m.

APPROVED BY A MOTION OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY BOARD THIS 7TH DAY OF JULY, 2011.



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TONY R. RUSSELL  
DIRECTOR, CORPORATE SERVICES/  
AUTHORITY CLERK

APPROVED AS TO FORM:



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BRETON K. LOBNER  
GENERAL COUNSEL