

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY BOARD
MINUTES
THURSDAY, OCTOBER 6, 2011
SAN DIEGO INTERNATIONAL AIRPORT
BOARD ROOM**

CALL TO ORDER: Chair Gleason called the meeting of the San Diego County Regional Airport Authority Board to order at 9:05 A.M. on Thursday, October 6, 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 Richie led the pledge of allegiance.

ROLL CALL:

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

ABSENT: Board Members: Hubbs, 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

Board Member Cox arrived at 11:00 A.M.

NON-AGENDA PUBLIC COMMENT:

MARK CONGER, SAN DIEGO, provided a presentation regarding the Purchase of Service Credits for some Authority employees, which included the Basic Facts and Historical Facts regarding the purchase. He asked the Board to reconsider its position regarding this issue.

MARCIA BRADLEY, OF THE WORLD TRADE CENTER, thanked the Board for its support of the 9/11 Commemoration Event held September 8. She provided a handout summarizing the event.

PRESENTATIONS:

- A. **AIREX – AIRPORT EMERGENCY EXERCISE (EDUCATIONAL ITEM):** Susie Preiser, Manager, Emergency Preparedness and Public Safety, provided an overview on the upcoming exercise.

CONSENT AGENDA (Items 1-15):

Chair Gleason requested that Item 17 be added to the Consent Agenda.

ACTION: Moved by Board Member Desmond and seconded by Board Member Smisek to approve the Consent Agenda as amended. Motion carried by the following vote: YES – Boland, Desmond, Gleason, Panknin, Robinson, Smisek, Young; NO – None; ABSENT – Cox, Hubbs. (Weighted Vote Points: YES – 80; NO – 0; ABSENT – 20)

1. **APPROVAL OF MINUTES:**
RECOMMENDATION: Approve the minutes of the September 1, 2011 regular meeting.
2. **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.
3. **AWARDED CONTRACTS, APPROVED CHANGE ORDERS FROM AUGUST 8, 2011 THROUGH SEPTEMBER 11, 2011 AND REAL PROPERTY AGREEMENTS GRANTED AND ACCEPTED FROM AUGUST 8, 2011 THROUGH SEPTEMBER 11, 2011:**
RECOMMENDATION: Receive the report.
4. **OCTOBER 2011 LEGISLATIVE REPORT:**
RECOMMENDATION: Adopt Resolution No. 2011-0117, approving the October 2011 Legislative Report.
5. **APPOINTMENT OF AUTHORITY ADVISORY COMMITTEE MEMBERS:**
RECOMMENDATION: Adopt Resolution No. 2011-0118, approving appointments to the Authority Advisory Committee.
6. **APPROVE A LOCAL PREFERENCE FOR PUBLIC ART OPPORTUNITIES:**
RECOMMENDATION: Adopt Resolution No. 2011-0129, approving a scoring preference of up to 20% of the total available points awarded as part of the overall scoring matrix used to determine award of public art contracts to local artists who meet the definition of "local business" under Policy 5.13.

CLAIMS

COMMITTEE RECOMMENDATIONS

7. **FISCAL YEAR 2011 – ANNUAL REPORT FROM THE AUDIT COMMITTEE:**
RECOMMENDATION: The Audit Committee recommends that the Board accept the report.
8. **FISCAL YEAR 2011 – ANNUAL AUDIT ACTIVITIES REPORT, AND AUDIT RECOMMENDATIONS FROM THE OFFICE OF THE CHIEF AUDITOR:**
RECOMMENDATION: The Audit Committee recommends that the Board accept the report.
9. **REVISION TO THE FISCAL YEAR 2012 AUDIT PLAN OF THE OFFICE OF THE CHIEF AUDITOR:**
RECOMMENDATION: The Audit Committee recommends that the Board accept the audit plan.
10. **AMEND AUTHORITY POLICY 9.20 – CHANGE IN FEDERAL AVIATION ADMINISTRATION (FAA) REPRESENTATIVE STATUS ON AUTHORITY'S AIRPORT NOISE ADVISORY COMMITTEE (ANAC):**
RECOMMENDATION: Adopt Resolution No. 2011-0119, amending Authority Policy 9.20, SDIA Airport Noise Advisory Committee (ANAC) to reflect a change in Federal Aviation Administration (FAA) representation status from voting member to ex officio and to reflect changes in community planning groups' designations.

CONTRACTS AND AGREEMENTS

11. **APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE A THIRD AMENDMENT TO THE AGREEMENT WITH LUCE, FORWARD, HAMILTON & SCRIPPS, LLP:**
RECOMMENDATION: Adopt Resolution No. 2011-0120, approving and authorizing the President/CEO to execute a Third Amendment to the agreement for professional legal services between the Authority and Luce, Forward, Hamilton & Scripps, LLP; increasing the compensation amount by \$500,000, for a total amount not to exceed \$800,000.

**CONTRACTS AND AGREEMENTS AND/OR AMENDMENTS TO CONTRACTS
AND AGREEMENTS EXCEEDING \$1 MILLION**

- 12. APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE A FOURTEENTH AMENDMENT TO THE AGREEMENT WITH ALSTON & BIRD, LLP:**
RECOMMENDATION: Adopt Resolution No. 2011-0121, approving and authorizing the President/CEO to execute a Fourteenth Amendment to the Agreement for Professional Legal Services between the Authority and Alston & Bird, LLP, extending the term for one year to expire no later than November 21, 2012.
- 13. AWARD A CONTRACT TO G&G SPECIALTY CONTRACTORS, INC., FOR QUIETER HOME PROGRAM PHASE 5, GROUP 11B (68 WEST SIDE NON-HISTORIC CONDOMINIUM UNITS):**
RECOMMENDATION: Adopt Resolution No. 2011-0122, awarding a contract to G&G Specialty Contractors, Inc., in the amount of \$1,917,667 for Phase 5, Group 11B, Project No. 380511B, of the San Diego County Regional Airport Authority's Quieter Home Program.
- 14. AWARD A CONTRACT TO S&L SPECIALTY CONTRACTING, INC., FOR QUIETER HOME PROGRAM PHASE 6, GROUP 2 (24 WEST SIDE AND 3 EAST SIDE, NON-HISTORIC, SINGLE FAMILY HOMES ON 26 RESIDENTIAL PROPERTIES):**
RECOMMENDATION: Adopt Resolution No. 2011-0123, awarding a contract to S&L Specialty Contracting, Inc., in the amount of \$1,066,950, for Phase 6, Group 2, Project No. 380602, of the San Diego County Regional Airport Authority's Quieter Home Program.
- 15. APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE A SECOND AMENDMENT TO THE AGREEMENT WITH OCEAN BLUE ENVIRONMENTAL SERVICES:**
RECOMMENDATION: Adopt Resolution No. 2011-0124, approving and authorizing the President/CEO to execute a Second Amendment to the Agreement between the Authority and Ocean Blue Environmental Services, Inc. for professional services of on-call hazardous waste management and emergency response services, increasing the contract amount by \$200,000 for a total not-to-exceed contract amount of \$3,380,000.
- 17. RENEWAL OF THE EMPLOYEE BENEFIT PROGRAM(S) FOR 2012:**
RECOMMENDATION: The Executive Personnel and Compensation Committee recommends that the Board adopt Resolution No. 2011-0125, approving the renewal of the Employee Benefit Program(s) for 2012.

NEW BUSINESS:

17. **RENEWAL OF THE EMPLOYEE BENEFIT PROGRAM(S) FOR 2012:**
ACTION: This item was approved as part of the Consent Agenda.
18. **AUTHORIZE STAFF TO PROCEED WITH THE ACTIONS NECESSARY TO ADJUST THE CUSTOMER FACILITY CHARGE (CFC) RATE; AUTHORIZE USE OF CFC FUNDS FOR DESIGN OF THE CONSOLIDATED RENTAL CAR CENTER (CONRAC) AND DESIGN AND CONSTRUCTION OF ENABLING PROJECTS IN AN AMOUNT NOT TO EXCEED SIXTY MILLION DOLLARS (\$60,000,000); AND INCREASE THE FY 2012-FY 2016 CAPITAL IMPROVEMENT PROGRAM (CIP) BUDGET BY TWO HUNDRED SIXTY-FOUR MILLION DOLLARS (\$264,000,000) TO INCLUDE THE SAN DIEGO INTERNATIONAL AIRPORT CONRAC DEVELOPMENT:**
Vernon D. Evans, Vice President, Finance, Treasurer, provided a presentation, which included Program Overview, Relevant Board Actions, Programmatic Design and Level Estimates, Financial Feasibility, Required CFC Collections, CFC Eligible Costs, Memorandum of Understanding (MOU)/Letter of Intent (LOI) Status, and Approach to Advance Program.

COBY KING, WEST HILLS, spoke in opposition to the item and requested that action on this item be delayed due to the current economic conditions.

Board Member Robinson disclosed ex parte communications with Avis Car Rental company.

RECOMMENDATIONS:

Adopt Resolution No. 2011-0126, authorizing the use of CFC funds consistent with the eligibility requirements of California Civil Code §1936 for (1) the design of the CONRAC facility, and (2) the design and construction of enabling projects, in a total combined amount not to exceed Sixty Million Dollars (\$60,000,000); and

Adopt Resolution No. 2011-0127, authorizing staff (1) to prepare and submit the required documents to the California State Controller's Office, and (2) to take all necessary steps to seek implementation of an alternative CFC collection rate allowable under California Civil Code §1936 in an amount sufficient to fund the CONRAC program; and

Adopt Resolution No. 2011-0128, authorizing inclusion of the CONRAC in the FY 2012 – FY 2016 CIP and increasing the current CIP budget of three hundred five million, eight hundred eighty-two thousand, three hundred ninety-three dollars (\$305,882,393) by two hundred sixty-four million dollars (\$264,000,000) for a new FY 2012 – FY 2016 CIP total budget of five hundred sixty-nine million, eight hundred eighty-two thousand, three hundred ninety-three dollars (\$569,882,393).

ACTION: Moved by Board Member Boland and seconded by Board Member Panknin to approve staff's recommendation. Motion carried by the following vote: YES – Boland, Desmond, Gleason, Panknin, Robinson, Smisek, Young; NO – None; ABSENT – Cox, Hubbs. (Weighted Vote Points: YES – 80; NO – 0; ABSENT – 20)

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

STANDING BOARD COMMITTEES

- **AUDIT COMMITTEE:** None.
- **EXECUTIVE PERSONNEL AND COMPENSATION COMMITTEE:** None.
- **FINANCE COMMITTEE:** None.
- **TERMINAL DEVELOPMENT PROGRAM COMMITTEE:**
Board Member Boland reported that the Committee will meet on October 11 to receive a progress report on the project. He reported that the Committee will also discuss the phasing of the project, and that a tour will be conducted of the concourse interior.

ADVISORY COMMITTEES

- **AUTHORITY ADVISORY COMMITTEE:**
Board Member Panknin announced that the Committee will meet in November for a meet and greet of the new Committee members.
- **PUBLIC ART ADVISORY COMMITTEE:**
Chair Gleason reported that the Committee met on August 8 where they discussed an assessment report regarding the Art Program's policy. He reported that the Chill Zone schematic design has changed significantly; that the elevator project is being modified, and that the Terminal 1 baggage claim project should be installed by the end of October. He also stated that the suspended artwork in the concessions core, Cloud Taxonomy, is being revised by the artist.

LIAISONS

- **AIRPORT LAND USE COMPATIBILITY PLAN FOR SAN DIEGO INTERNATIONAL AIRPORT:**

Board Member Robinson reported that staff is seeking potential options for an amendment to the Miramar ALUCP. He also reported that the first steering meeting on safety was held September 29, and subsequent meetings have been scheduled for October 26 (agency stakeholder meeting), November 10, and December 8.

- **CALTRANS:** None.

- **INTER-GOVERNMENTAL AFFAIRS:**

Mike Kulis, Director, Inter-Governmental Affairs, reported that Chair Gleason, Board Member Robinson, and staff accompanied the San Diego Regional Chamber of Commerce to Washington, D.C. on September 18-21.

- **MILITARY AFFAIRS:**

Board Member Boland reported that the City of San Diego and the Airport Authority are moving forward very well with agreements regarding the Marine Corps Recruit Depot Washington Street gate entrance.

- **PORT:** None.

BOARD REPRESENTATIVES (EXTERNAL)

- **SANDAG TRANSPORTATION COMMITTEE:** None.

- **WORLD TRADE CENTER:**

Board Member Panknin reported that the annual World Trade Center members meeting will be in December and he requested it be added to the Board information calendar.

CHAIR'S REPORT:

Chair Gleason reported on his trip to Washington, D.C. with the San Diego Regional Chamber of Commerce and he stated a written report is forthcoming. He announced that the December Board meeting will begin at 10 A.M., instead of 9 A.M., and he reminded the Board that the proposed 2012 meeting calendar will be out for review soon.

PRESIDENT/CEO'S REPORT:

Thella F. Bowens, President/CEO, reported that she attended the grand opening of the new terminal at Sacramento airport. She reminded everyone that San Diego and SDIA will host the Airports Council International – North America (ACI-NA) annual conference October 16-19. She stated that the San Diego Convention and Visitors Bureau (CONVIS) estimates that the conference will generate approximately \$680,000 in direct impacts and \$1.9 million in indirect impacts. She reported that she attended the Public Relations Society of America – San Diego Chapter annual event where Diana Lucero, Director, Public, Community & Customer Relations was named Public Relations Professional of the Year and SDIA was honored as the recipient of the Silver Anvil award earlier this year.

Chair Gleason encouraged all Board Members to attend the ACI-NA luncheon on October 19 where Ms. Bowens will be honored as the incoming chair.

The Board recessed at 10:09 A.M. and reconvened at 11:00 A.M.

Board Member Cox arrived at 11:00 A.M.

OLD BUSINESS:

16. AWARD AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE AN AGREEMENT FOR PARKING MANAGEMENT SERVICES AND CONSIDERATION OF THE BEST AND FINAL OFFERS (BAFO) AS DIRECTED BY THE BOARD (CONTINUED FROM THE SEPTEMBER 1, 2011 MEETING):

Vernon D. Evans, Vice President, Finance/Treasurer, provided a presentation, which included an overview of Parking Management Services, Selection Process, Original Evaluation Matrix, BAFO Evaluation Criteria and Matrix, Service Enhancements for Ace Parking Management, Inc. and Standard Parking Corporation, Comparison of Enhancements, Experience and Qualifications, Plan of Operation, Proposed Fees/Cost, Revised Cost Matrix from September Board Meeting, and Worker Retention.

In response to Chair Gleason regarding why the panel was reconvened to review the BAFOs, Thella F. Bowens, President/CEO stated that the evaluation panel was reconvened at her request in order to maintain the Authority's process of presenting the Board with recommendations for staff reports.

In response to Chair Gleason regarding the price difference and price guarantees, Breton K. Lobner, General Counsel, stated that the contract will address reimbursable expenses as a standard whereby the Authority would reimburse for operations and employees; however, he stated that there is no way to guarantee operating expenses and employee expenses, particularly considering the fact that the Authority controls these operations. He suggested that the proposers define what they are guaranteeing.

JACK RICCHIUTO, CLEVELAND, OH, spoke in support of staff's recommendation and he requested that the Board uphold the process because it was fair.

CLINT JOY, DENVER, CO, spoke in support of staff's recommendation.

JACQUELINE BESSER, SAN FRANCISCO, spoke in support of staff's recommendation.

JAMILA NIAZI, LOS ANGELES, spoke in support of staff's recommendation.

NELLIE BRUNO, PORTLAND, OR, spoke in support of staff's recommendation.

RAMON PEÑA, LOS ANGELES, spoke in support of staff's recommendation.

PAM BROWN, PORTLAND, OR, STANDARD PARKING CORPORATION, spoke in support of staff's recommendation. She also provided an overview of their operation.

ROBYN HIMA, SAN DIEGO, spoke in support of staff's recommendation.

KEVIN FAULCONER, SAN DIEGO, spoke in support of awarding the agreement to Ace Parking.

MATT PETERSEN, SAN DIEGO, spoke in opposition to staff's recommendation and to the weighting criteria used by staff. He provided an overview of Ace Parking's proposal.

KEITH JONES, SAN DIEGO, spoke in opposition to staff's recommendation and he provided an overview of Ace Parking's financial fee, management fee, and the cost difference between each proposal.

KRIS MICHEL, SAN DIEGO, spoke in support of awarding the agreement to Ace Parking.

UNA NELSON-WHITE, SAN DIEGO, spoke in support of awarding the agreement to Ace Parking.

Board Member Cox stated that the fee and cost difference is significant. He stated that Ace Parking has done a good job operating parking and has experience with the operations at SDIA. He also stated that they have the better ability to meet worker retention requirements.

Mr. Lobner stated for the record that each Board Member received each proposer's original proposal and Best and Final Offer, and all correspondence submitted regarding this item. He noted that the Board, acting as the evaluation panel, is obligated to use the BAFO Evaluation in the process of evaluating the two proposals. He reminded the Board that they are prohibited from providing any local preference due to 49 Code of Federal Regulations.

Chair Gleason stated that he does not think that Standard Parking's proposal meets the minimum worker retention requirements due to its addition of unstated selection criteria to the policy requirements, that he is seeking the best possible economic deal for the Authority and that Ace Parking's proposal would provide substantial savings over the five-year period.

Board Member Smisek spoke regarding the cost savings provided by Ace Parking.

RECOMMENDATION: Adopt Resolution No. 2011-0103R, awarding and authorizing the President/CEO to execute an Agreement for Parking Management Services.

ACTION: Moved by Board Member Young and seconded by Board Member Desmond to award the agreement for parking management services to Ace Parking Corporation, based on their original proposal and best and final offer. Motion carried by the following vote: YES – Cox, Desmond, Gleason, Panknin, Robinson, Smisek, Young; NO – Boland; ABSENT – Hubbs. (Weighted Vote Points: YES – 75; NO – 13; ABSENT – 12)

CLOSED SESSION: The Board recessed into Closed Session at 12:19 P.M. to discuss Items 19, 23, 26, and 27.

- 19. CONFERENCE WITH LABOR NEGOTIATOR:**
Labor negotiations pursuant to Cal. Gov. Code §54957.6:
Authority Designated Negotiators: Thella F. Bowens, President/CEO; and Jeffrey Woodson, Vice President, Administration
Employee Organization: Teamsters 911

- 20. CONFERENCE WITH REAL PROPERTY NEGOTIATORS:**
Real property negotiations pursuant to Cal. Gov. Code §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
- 21. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION: (GOVERNMENT CODE §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)
- 22. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION:**
(Cal. Gov. Code §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 §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
- 24. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:**
Initiation of litigation pursuant to subdivision (c) of §54956.9: (1 case)
- 25. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:**
Significant exposure to litigation pursuant to Cal. Gov. Code §54956.9(b) [Number of cases: 1] and §54956.9(b)(3)(C) [Liability claim against Authority by Theresa, Warren & Carl Hopkins]
- 26. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:**
Significant exposure to litigation pursuant to Cal. Gov. Code §54956.9(b): Kelly Lancaster, David Boenitz, Mary Erickson and Richard Gilb, et al v. SDCERS, San Diego Sup. Court Case No. 37-2011-G0096238-CU-PO-CT
Number of cases: 1
- 27. CONFERENCE WITH LEGAL COUNSEL: ANTICIPATED LITIGATION:**
Initiation of litigation pursuant to subdivision (c) of Section 54956.9: (1 case)

REPORT ON CLOSED SESSION: The Board reconvened into open session at 1:12 P.M. Breton K. Lobner, General Counsel, reported that there was no reportable action.

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: None.

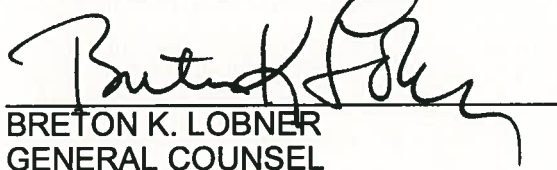
ADJOURNMENT: The meeting was adjourned at 1:13 P.M.

APPROVED BY A MOTION OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY BOARD THIS 3RD DAY OF NOVEMBER, 2011.



TONY R. RUSSELL
DIRECTOR, CORPORATE SERVICES/
AUTHORITY CLERK

APPROVED AS TO FORM:



BRETON K. LOBNER
GENERAL COUNSEL