

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY BOARD
MINUTES
THURSDAY, JULY 1, 2010
BOARD ROOM**

CALL TO ORDER: Chair Gleason called the meeting of the San Diego County Regional Airport Authority Board to order at 9:00 a.m. on Thursday, July 1, 2010 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 Boland led the pledge of allegiance.

ROLL CALL:

PRESENT: Board Members: Boland, Cox, Desmond, Finnila, Gleason, Panknin, Robinson, Smisek, Young

ABSENT: Board Members: Berman (Ex-Officio), Col. Richie (Ex-Officio)

ALSO PRESENT: Thella F. Bowens, President/CEO; Breton K. Lobner, General Counsel; Tony R. Russell, Director, Corporate Services/Authority Clerk; Linda Gehlken, Assistant Authority Clerk I

PRESENTATIONS:

A. AIRPORT MINORITY ADVISORY COUNCIL'S "AWARD OF THE ORGANIZATION":

Bob Silvas, Director, Small Business Development, reported that at the 26th Annual Business Diversity Conference, the Airport Minority Advisory Council (AMAC) announced that the Authority was the recipient of the "Award of the Organization." Board Member Boland accepted the award on behalf of the Authority.

B. OVERVIEW OF AIRCRAFT RESCUE AND FIRE FIGHTING (ARFF) AT SAN DIEGO INTERNATIONAL AIRPORT (EDUCATIONAL ITEM):

George Condon, Director, Aviation Operations and Public Safety, provided a presentation on the Aircraft Rescue and Fire Fighting (ARFF) Program at San Diego International Airport, which included Federal Aviation Administration (FAA) Requirements; ARFF Responsibilities; ARFF Facility and Personnel; and FAA funding.

C. COMPREHENSIVE GROUND TRANSPORTATION MANAGEMENT PLAN STATUS UPDATE:

Vernon Evans, Vice President, Finance/Treasurer, provided a presentation on the Comprehensive Ground Transportation Management Plan Status, which included Plan Goals and Process; Five Year Ground Transportation Management Plan Summary; Ground Transportation Management Plan Strategies – Parking, Emissions, Operational Efficiency, Cost Recovery; Approved Ground Transportation Fees January 7, 2010; Continuity with MOU Strategies; Strategy Tabled for Discussion; Implementation of the Five Year Plan; Initial Implementation Timeline; Updated Implementation Timeline; Four Year Implementation Ground Transportation Fees; Ground Transportation Costs; Cost Recovery Calculation; Per Trip Fee Calculation; FY11 Cost Recovery vs. Permits; and FY12 Cost Recovery vs. Permits.

Chair Gleason stated that this status update was being provided by staff in response to the Board's request for semi-annual updates on the implementation of the Ground Transportation Management Plan. He stated that the additional item on today's agenda will be addressing the implementation specifically of permit fees and timing, and that at the September Board meeting staff will be providing the proposals for the structure of the Concessions Plan.

KAMRAN HAMIDI, SAN DIEGO, spoke in support of the proposed Taxi Permit Fees, FY2011, Scenario 2, which reflects no trip and administrative fees, with a \$1,000 cap.

TONY HUESO, SAN DIEGO, requested that stakeholders be allowed to provide a presentation to the Board in regarding to their concerns at a future meeting.

MICHEL ANDERSON, WEST COAST CAB, SAN DIEGO, spoke in support of implementing a concession program and commended Authority staff for a letter he received indicating attentiveness to the concerns of stakeholders.

MARGO TANGUAY, SAN DIEGO, urged the Board to continue dialogue on this issue with stakeholders, and requested the opportunity to allow the stakeholders to provide a presentation to the Board.

MIKE MCDADE, SAN DIEGO, spoke in support of the latest Board proposal to increase the fees implementation timeline from 2 to 4 years, and also spoke regarding the Concession Program.

WES JOHNSON, ACCESSIBLE SAN DIEGO, SAN DIEGO, urged the Board to ensure that at least ten percent and a minimum of two per fleet of taxis and shuttles servicing the airport, and offer accessibility to travelers with disabilities.

ALEX GHEBRESELASSIE, CHULA VISTA, spoke in opposition to a concession.

CARELYN REYNOLDS, SAN DIEGO, expressed concern regarding the implementation of a Concession Program, and urged the Board not to increase the permit fees as specified.

Board Member Panknin recommended that the Authority ensure that certain components are integrated in the program, such as uniformity, improvement in customer service, control over the industry, minimize hardship, and expand the opportunities available for drivers.

Board Member Young expressed concern regarding any hardship that may be caused to stakeholders servicing the airport, especially small business operators. He stated that the Authority needs to find ways to address the various issues, and the individual investments in the taxi industry.

Chair Gleason requested that staff ensure that stakeholders' input be received and made as comprehensive as possible for the Board's September 2, 2010 meeting. He also requested a copy of the letter generated by staff which had been referenced at today's meeting by the various stakeholders.

Board Member Young requested that General Counsel provide a briefing regarding any possible exposure to the Authority associated with adopting a Concession Program.

D. REPORT ON THE AUTHORITY'S FINANCIAL CONDITION:

Vernon Evans, Vice President, Finance/Treasurer, provided an update on the Authority's Financial Condition which included: Unemployment Rate this Fiscal Year; Monthly Operating Revenue, FY 2010 (Unaudited); Operating Revenues for the Eleven Months Ended May 31, 2010 (Unaudited); Monthly Operating Expenses, FY 2010; Operating Expenses for the Eleven Months Ended May 31, 2010 (Unaudited); Financial Summary for the Eleven Months Ended May 31, 2010 (Unaudited); Nonoperating Revenues and (Expenses) for the Eleven Months Ended May 31, 2010 (Unaudited); Balance Sheets (Unaudited) Authority Assets; Balance Sheet (Unaudited) Authority Liabilities and Net Assets; Authority Net Income (Unaudited); Total Portfolio Summary; and Summary of Outstanding Commercial Paper, May 31, 2010.

The Board recessed at 10:15 A.M. and reconvened at 10:22 A.M.
Chair Gleason stated that Item 9 would be heard next.

OLD BUSINESS: None

NEW BUSINESS:

9. **PROPOSED AMENDMENT OF THE COST RECOVERY FEE STRUCTURE AND IMPLEMENTATION DATES IN THE COMPREHENSIVE GROUND TRANSPORTATION MANAGEMENT PLAN ADOPTED MARCH 4, 2010:**
Vernon Evans, Vice President, Finance/Treasurer, provided a presentation on the proposed amendment of the Cost Recovery Fee Structure which included: Cost Recovery Methodology; Ground Transportation Costs; Cost Recovery Calculation; Per Trip Fee Calculation; Permit Fee Calculation; Option A; and Option B.

MIKE MCDADE, SAN DIEGO, spoke in support of phasing the fees in over a four year period, and stated that it should be expected that the trip fees will be passed on to the public.

LISA MCGEE, SAN DIEGO, spoke in opposition to the Off-Airport Parking fees. She provided a hand out for Board Members.

DAVID MCGEE, SAN DIEGO, spoke in opposition to the Off-Airport Parking fees.

JACK MONGER, REPRESENTING THE SAN DIEGO OFF-AIRPORT PARKING ASSOCIATION, CORONADO, spoke in support of phasing the fees in over a four year period, and urged the Board to allow discussion of the fees at the end of the first year, prior to the implementation of the following year's fee schedule.

TONY HUESO, SAN DIEGO, spoke regarding the fees' and he requested that the Board allow stakeholders the opportunity to present their concerns at a future Board meeting.

Chair Gleason acknowledged that there is a process for the public to submit information to the Board ahead of meetings, and directed anyone interested in doing so to either deliver the materials to the Office of the Authority Clerk, or to submit the information through the Authority's website at www.san.org .

ALAN S. BEKER, LA MESA, stated that the increased fees will create a hardship for the drivers, especially if the meters cannot be adjusted to pass the fee on to the customer.

MARGO TANGUAY, SAN DIEGO, stated that taxi drivers should be able to pass the trip fees on to the customers. She advocated for allowing stakeholders the opportunity to present information to the Board at a future meeting.

CAROLYN REYNOLDS, SAN DIEGO, expressed concern that regulatory agencies will impede the passing on of the increased fees to the public in a timely matter, and as a result the burden will fall on the operators/drivers.

KAMRAN HAMIDI, SAN DIEGO, spoke in opposition to trip fees.

In response to Board Member Cox regarding the process involved for handling the fees through regulatory agencies, such as the City of San Diego, Vernon Evans, Vice President, Finance/Treasurer, stated that the primary agency, the Metropolitan Transit System (MTS), has been informed and that decals indicating the fee amounts have been requested for placement in the taxi cab vehicles servicing the airport. Mr. Evans also stated that having the fees placed on the meters will require additional time and assistance from other government agencies.

Board Member Cox suggested that the best way for taxis to charge the fee is on the flag drop.

Board Member Young stated that with Board concurrence, he would follow up on this issue at the City of San Diego.

In response to Board Member Robinson regarding whether there is an actual provision to review the fees each year prior to the next cycle of fees being phased in, Thella F. Bowens, President/CEO, stated that the program has a cost center which is reviewed annually. She stated that future fees will be based on the cost center.

In response to Board Member Desmond as to who approves having the fees incorporated into the meters and what is the process, Jim Myhers, Manager, Ground Transportation, stated that MTS approves all rate changes at the airport, and that a change to the MTS "guiding principles" instituted by the City of San Diego is required. He also stated that the City of San Diego needs to approve a "rule change" allowing these specific fees to be placed on the meters.

Board Member Panknin stated that he supported the phasing in of the fees over a four year period, and would additionally support whatever could be done to ensure that the fees would be reflected on the metered flag drop.

In response to Board Member Robinson's request for clarification regarding the cost recovery timeline, Ms. Bowens stated that total cost recovery is addressed on a yearly basis, and that typically, incremental increases are expected.

Board Member Boland stated that an extensive analysis had been done to support the original fees and that, in his opinion, the fee structure is reasonable. He stated that it is important to keep this issue in perspective, and that although he supports the taxicab drivers, he cannot support the four year phasing in of fees.

Board Member Finnila stated that this is the first time that the Authority is asking for all parties affected to contribute their fair share of the cost recovery. She stated that the original fee structure is reasonable, and she does not support the phasing in of fees over a four year period.

Board Member Smisek stated that the four year smoothing offered under Option B is preferable to the original proposal during these challenging economic times.

Board Member Cox stated that since this is the first time that the Authority is attempting to make a full cost recovery, a four year plan is the most prudent. He recommended reviewing the issue each year.

In response to Board Member Young regarding cost recovery and whether the provision of Gifts of Public Funds applies, Breton Lobner, General Counsel, stated that the obligation under the grants for the airport stipulate it to be as self-sustainable as possible. He stated that in regard to Gifts of Public Funds, this issue pertains to the California Constitution and that, in his opinion, these fees would not be relative.

Mr. Evans recommended that the administrative cost for limousines be revised to \$200 to ensure covering the permitting costs to the Authority.

Chair Gleason reported the following *ex-parte* communications: 1) a meeting with Lisa McGee; and 2) a telephone conversation with Adrian Kwiatkowski.

Board Member Desmond reported *ex-parte communication* with John Hawkins, President, Cloud 9 Shuttle.

Chair Gleason recommended that the \$200 administrative cost for permits be for all permits, and included in the action for this item.

RECOMMENDATION: Provide direction to staff.

ACTION #1: Moved by Board Member Panknin and seconded by Board Member Robinson to adopt Resolution No. 2010-0082, approving Option B, which phases in Ground Transportation fees over four years, and to set the administrative costs at \$200 for the issuance of all permits. Motion carried by the following vote: YES - Cox, Gleason, Panknin, Robinson, Smisek, Young; NO – Boland, Desmond, Finnila; ABSENT – None. (Weighted Vote Points: YES – 62; NO – 38; ABSENT– 0)

ACTION #2: Moved by Board Member Panknin and seconded by Board Member Boland to adopt Resolution No. 2010-0083, advocating with all regulatory agencies involved, that the taxicab trip fee be programmed on the meter flag drop. Motion carried by the following vote: YES – Boland, Cox, Desmond, Finnila, Gleason, Panknin, Robinson, Smisek, Young; NO – None; ABSENT – None. (Weighted Vote Points: YES – 100; NO – 0; ABSENT– 0)

The Board recessed at 11:25 A.M. and reconvened at 11:38 A.M.

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

STANDING BOARD COMMITTEES

- **AUDIT COMMITTEE:**
Board Member Smisek reported that the Committee held a special meeting in June to address the evaluation of the Chief Auditor, and that this issue will be discussed during today's Closed Session.
- **EXECUTIVE PERSONNEL AND COMPENSATION COMMITTEE:**
Board Member Desmond reported that the Committee met in June and that the annual reviews were completed for the President/CEO and General Counsel. He stated that the information gathered would be discussed today during Closed Session.
- **FINANCE COMMITTEE:** None
- **TERMINAL DEVELOPMENT PROGRAM COMMITTEE:**
Board Member Boland reported that the Committee met on June 24, and approved the staff recommendations regarding task/work authorizations. He stated that these were Item 13 on today's Board agenda.
- **RASP COMMITTEE:**
Board Member Finnila reported that the next meeting of the Committee may be rescheduled.

AD HOC COMMITTEE

- **PORT DISTRICT AD HOC COMMITTEE:**

Chair Gleason reported that staff is working with the Port District to schedule a meeting soon to address some areas of concern.

LIAISONS

- **MILITARY AFFAIRS LIAISONS:** None
- **CALTRANS:** None

BOARD REPRESENTATIVES

- **SANDAG TRANSPORTATION COMMITTEE REPRESENTATIVE:**

Board Member Panknin reported that he attended the June 4, 2010 SANDAG meeting, which was a joint meeting of the Regional Planning Committee and Transportation Committee. He commended SANDAG for incorporating the airport's Inter-Modal Transit Center in all of the long range transit scenarios presented during the meeting.

Board Member Smisek reported that at the upcoming July 2, 2010 meeting, it is expected that the Destination Lindbergh alternative site for the Inter-Modal Transit Center will be presented to the SANDAG Transportation Committee, and discussions held relating to SDIA's North Side plans, primarily the CONRAC facility.

- **SCAG AVIATION TASK FORCE:** None
- **WORLD TRADE CENTER:** None

CHAIR'S REPORT:

Chair Gleason reported that there will be a special Board Meeting held jointly with the Executive/Finance Committees on August 23, 2010 for the purpose of discussing Bond issuance. He also encouraged Board Members to provide him with any suggestions or input for the scheduled Board Retreat in September.

PRESIDENT/CEO REPORT:

Thella Bowens, President/CEO, reported that she attended her first Future of Aviation Advisory Committee Meeting in Washington, D. C. and stated that the information regarding the work of this committee may be viewed online. She reported that the Air Transport Association has indicated that summer revenues for the airlines are improving; although most of the increases appear due to fees. She stated that San Diego's travel is expected to increase in comparison to last year. She encouraged anyone traveling to Canada to consider the new service routes now available from SDIA.

NON-AGENDA PUBLIC COMMENT (18 MINUTES):

JARVIS ROSS, SAN DIEGO, expressed concern regarding the expansion of SDIA, and urged the Board to continue its search for an alternative location for the airport.

SUHAIL KHALIL, SAN DIEGO, representing the Peninsula Community Planning Board (PCPB), spoke regarding the supplemental Environmental Impact Report (EIR) recently provided by Authority staff, and requested greater collaboration with the Regional Aviation Strategic Plan.

CYNTHIA CONGER, SAN DIEGO, expressed concern that items placed for discussion under the Closed Session portion of the agenda are ambiguous and circumvent public input.

KATHERYN RHODES, SAN DIEGO, requested that the Board consider using the property near the Midway Post Office as an emergency homeless shelter, if purchased. She provided a written communication to the Board.

CONSENT AGENDA (Items 1-8):

Chair Gleason reported that Item 7 was removed from the 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, Cox, Desmond, Finnila, Gleason, Panknin, Robinson, Smisek, Young; NO – None; ABSENT – None. (Weighted Vote Points: YES – 100; NO – 0; ABSENT – 0)

1. APPROVAL OF MINUTES:

RECOMMENDATION: Approve the minutes of the May 17, 2010 special meeting and the June 3, 2010 regular meeting.

2. ACCEPTANCE OF BOARD AND COMMITTEE MEMBERS' WRITTEN REPORTS ON 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 attendance at other meetings, trainings and events not covered by the current resolution.

3. APPOINTMENTS TO THE FINANCE AND TERMINAL DEVELOPMENT PROGRAM COMMITTEES:

RECOMMENDATION: Adopt Resolution No. 2010-0068, making appointments to the Finance and Terminal Development Program Committees.

4. **AMEND THE AIRPORT AUTHORITY'S RECORDS RETENTION SCHEDULE:**
RECOMMENDATION: Adopt Resolution No. 2010-0069, approving amendments to the Authority's Records Retention Schedule.
5. **JULY 2010 LEGISLATIVE REPORT:**
RECOMMENDATION: Adopt Resolution No. 2010-0070, approving the July 2010 Legislative report.

CLAIMS

COMMITTEE RECOMMENDATIONS

CONTRACTS AND AGREEMENTS

6. **AWARDED CONTRACTS, APPROVED CHANGE ORDERS FROM MAY 10, 2010 THROUGH JUNE 6, 2010 AND REAL PROPERTY AGREEMENTS GRANTED AND ACCEPTED FROM MAY 10, 2010 THROUGH JUNE 6, 2010:**
The Board is requested to receive the report.
RECOMMENDATION: Receive the report.

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

7. **AUTHORIZE THE PRESIDENT/CEO TO AWARD A CONSTRUCTION CONTRACT FOR THE SAN PARK PACIFIC HIGHWAY PAVEMENT PROJECT, AT SAN DIEGO INTERNATIONAL AIRPORT:**
ACTION: This item was removed from the agenda.
8. **APPROVE THE SECOND AMENDMENT TO AGREEMENT 203361OS WITH UNIVERSAL PROTECTION SERVICES, LP FOR SECURITY SERVICES:**
RECOMMENDATION: Adopt Resolution No. 2010-0072, approving the Second Amendment to Agreement 203361OS with Universal Protection Services, LP to increase the compensation by Five Hundred Thousand Dollars (\$500,000) resulting in a not-to-exceed amount of compensation of Six Million Seven Hundred and Forty Thousand Dollars (\$6,740,000).

PUBLIC HEARINGS: None

OLD BUSINESS: None

Chair Gleason requested that any public comment be heard at this time, prior to the Board going into Closed Session.

JARVIS ROSS, SAN DIEGO, requested that Closed Session Items 28 and 30 not be approved. He suggested that the public is not fully aware that the Authority is negotiating on these properties.

CYNTHIA CONGER, SAN DIEGO, expressed concern that not enough information is provided on the agenda regarding the location of the properties under negotiation being discussed in Closed Session.

CLOSED SESSION: The Board recessed into closed session at 12:02 P.M. to discuss Items 19-22, and Items 24,26,27,29 and 30.

19. THREAT TO PUBLIC SERVICES OR FACILITIES:

(Cal. Gov. Code section 54957):

Consultation with Transportation Security Administration, Michael J. Aguilar, Federal Security Director.

20. PUBLIC EMPLOYEE PERFORMANCE EVALUATION:

(Government Code 54957):

Title: President/CEO

21. PUBLIC EMPLOYEE PERFORMANCE EVALUATION:

(Government Code 54957):

Title: General Counsel

22. PUBLIC EMPLOYEE PERFORMANCE EVALUATION:

(Government Code 54957):

Title: Chief Auditor

23. 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).

24. CONFERENCE WITH REAL PROPERTY NEGOTIATORS:

Real Property Negotiations pursuant to Cal. Gov. Code sections 54954.5(b) and section 54956.8.

Property: 1.15 acre parcel located at the northern terminus of 13th Street in Imperial Beach

Agency Negotiators: Vernon D. Evans, Vice President, Finance/Treasurer

Under Negotiation: Sale – Terms of Payment and Conditions.

- 25. CONFERENCE WITH REAL PROPERTY NEGOTIATORS:**
Real property negotiations pursuant to Cal. Gov. Code sections 54954.5(b) and section 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.
- 26. CONFERENCE WITH LEGAL COUNSEL-EXISTING LITIGATION:**
Pursuant to Government Code section 54956.9(a):
Save Our Heritage Organization v. San Diego Unified Port District, et al., San Diego Superior Court Case No. 37-2009-00097828-CU-TT-CTL
- 27. CONFERENCE WITH LEGAL COUNSEL--EXISTING LITIGATION:**
(Cal. Gov. Code Section 54956.9(a)):
San Diego Unified Port District v. Argonaut Insurance Company, et al, L.A.S.C. GIC 874394
- 28. CONFERENCE WITH REAL PROPERTY NEGOTIATORS:**
Real Property Negotiations pursuant to Cal Gov. Code §§ 54954.5(b) 54956.8
Property: 3.76 acre easement across MCRD property located on the Washington Street extension south of Pacific Highway, in the City of San Diego, CA.
Agency negotiators: Vernon Evans, Vice President, Finance/Treasurer and Troy Leech, Director, Real Estate Management.
Under Negotiation: Consideration of MCRD's request for exclusive use of portion of the easement.
- 29. 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
- 30. CONFERENCE WITH REAL PROPERTY NEGOTIATORS:**
Real Property Negotiations pursuant to Cal. Gov. Code sections 54954.5(b) and 54956.8.
Property: 2701 & 2535 Midway Drive, City of San Diego
Agency Negotiators: Vernon D. Evans, Vice President, Finance/Treasurer
Under Negotiation: Purchase – Price, Terms of Payment and Conditions.

The Board reconvened into open session at 2:00 P.M.

Board Member Robinson left the meeting at 2:00 P.M.

Chair Gleason stated that Item 16 would be heard next, and that a report on Closed Session would be provided later during the meeting.

NEW BUSINESS (continued):

16. BOARD POLICY DISCUSSION AND POSSIBLE DIRECTION REGARDING POLICIES RELATING TO CONTRACTOR WORKER RETENTION AND WAGES/BENEFITS:

Chair Gleason suggested guidelines for discussion which included: 1) ways to benefit the business of the Authority by maintaining the required level of customer service; 2) reducing costs associated with employee turn-over; and 3) attempt to avoid some of the risks generated by these transitions. He stated that although the wages and benefits portion may need discussion, this component was secondary to deciding how to deal with employees who depend on the airport for their livelihood during a transition between service providers.

Jana Vargas, Director, Procurement, provided an overview of the staff report and a synopsis of what several airports nationally and in California are doing regarding worker retention and wage benefits.

DONNA HERNANDEZ, SAN DIEGO, expressed concerns regarding any possible action taken by the Board which may displace the current workers in regards to the new concession plan.

Board Member Young recommended that a strong retention plan within the program be considered by the Board.

Board Member Boland suggested that it would be helpful, prior to reaching a decision on this issue, to have a workshop for Board Members to review the complex issues related to concessions.

Board Member Panknin recommended ensuring that the final approved plan incorporates a strong long-term incentive for retention.

Board Member Cox encouraged the Board to evaluate incorporating a health care component in the plan, if possible.

In response to Board Member Desmond regarding when a concession contract would be needed, Thella F. Bowens, President/CEO, stated that the current contract expires in November, 2012. She stated that the new program will be very different. Ms. Bowens recommended that the final policy regarding this issue be a "global" one because other areas, such as parking, may be affected over time.

RECOMMENDATION: To seek direction from the Board on policies relating to contractor worker retention and wages/benefits.

ACTION: Moved by Board Member Young and seconded by Board Member Desmond to direct staff to create a policy related to worker retention for the Authority for the Board's consideration, and to schedule a workshop on this issue in regards to concessions. Motion carried by the following vote: YES – Boland, Cox, Desmond, Finnila, Gleason, Panknin, Smisek, Young; NO – None; ABSENT – Robinson. (Weighted Vote Points: YES – 92; NO – 0; ABSENT – 8)

Board Member Young left the meeting at 2:30 P.M.

10. **RENEWAL OF THE EMPLOYEE BENEFIT PROGRAM FOR 2011:** Jeff Lindeman, Director, Human Resources, and Paul La Bounty, First Vice President, Alliant Insurance Services, Inc., provided a presentation on the Renewal of the Employee Benefit Program for 2011 that included: Legislative Updates; Health Care Reform Timeline; Cost Trends in Health Care; Behaviors Driving Healthcare Costs; Medical HMO/PPO – Current vs. Renewal; 2011 Overview – Renewal; SDCRAA Total Gross Renewal Cost Summary 2011; SDCRAA Total Authority Net Costs – Medical Only; and SDCRAA Total 2011 Authority Renewal Cost.

RECOMMENDATION: Adopt Resolution No. 2010-0078, approving the renewal of the employee benefit programs for 2011.

ACTION: Moved by Board Member Cox and seconded by Board Member Finnila to approve staff's recommendation. Motion carried by the following vote: YES – Boland, Cox, Desmond, Finnila, Gleason, Panknin, Smisek; NO – None; ABSENT – Robinson, Young. (Weighted Vote Points: YES – 79; NO – 0; ABSENT – 21)

11. RECONSIDERATION OF THE OPERATING BUDGET FOR FISCAL YEAR 2011 AND THE CAPITAL IMPROVEMENT PROGRAM FOR FISCAL YEARS 2011-2015; AND CONCEPTUAL APPROVAL OF THE OPERATING BUDGET FOR FISCAL YEAR 2012, APPROVED JUNE 21, 2010:

Chair Gleason stated that when the Budget was approved on June 21, 2010, a stipulation was included to reconsider the budget and to conform it to the actions taken at today's meeting regarding the permit fees in the Ground Transportation Plan and possibly to the Health Benefits Program.

RECOMMENDATION: Adopt Resolution No. 2010-0081, adopting the Operating Budget for Fiscal Year 2011 and the Capital Improvement Program for Fiscal Years 2011-2015; and Conceptual Approval of the Operating Budget for Fiscal Year 2012.

ACTION #1: Moved by Board Member Cox and seconded by Board Member Finnila to reconsider the June 21, 2010 approved Operating Budget for Fiscal Year 2011 and the Capital Improvement Program for Fiscal Years 2011-2015, and conceptual approval of the operating budget for Fiscal Year 2012. Motion carried by the following vote: YES Boland, Cox, Desmond, Finnila, Gleason, Panknin, Smisek; NO – None; ABSENT – Robinson, Young. (Weighted Vote Points: YES – 79; NO – 0; ABSENT – 21)

ACTION #2: Moved by Board Member Smisek and seconded by Board Member Finnila to adopt Resolution No. 2010-0081R approving the Operating Budget for Fiscal Year 2011 – to include the phasing in of Ground Transportation Fees over a four year period (Option B); and the Capital Improvement Program for Fiscal Years 2011-2015; and Conceptual approval of the Operating Budget for Fiscal Year 2012. Motion carried by the following vote: YES – Boland, Cox, Desmond, Finnila, Gleason, Panknin, Smisek; NO – None; ABSENT – Robinson, Young. (Weighted Vote Points: YES – 79; NO – 0; ABSENT – 21)

12. PROVIDE DIRECTION TO STAFF ON STRUCTURE, COMPOSITION, AND WORK PLAN FOR AUTHORITY ADVISORY COMMITTEE:

Bella Heule, Chair, Airport Advisory Committee, provided a report on restructuring the Airport Advisory Committee that covered the following: Size vs. Effectiveness; Alternate Representation; Principles of Participation; Quorum; and Restructured Categories. Ms. Heule requested, on behalf of the Committee, that the Board direct staff to prepare revisions to Policy 1.21, Airport Advisory Committee, based on the feedback received.

Board Member Finnila questioned the need for non-profit representatives on the Committee. She stated that she supported revising the policy, and suggested reviewing it after one year to see if further revisions are needed.

Breton Lobner, General Counsel, stated that some research will need to be made relating to the Brown Act, and to ascertain whether a majority of the members will need to be present to have a quorum. He suggested that possibly special rules will need to be implemented to address a lack of representation.

RECOMMENDATION: Provide direction to staff.

ACTION: Moved by Board Member Panknin and seconded by Board Member Cox to direct staff to revise Policy 1.21, based on the Airport Advisory Committee's recommendations, to be presented to the Board for approval. Motion carried by the following vote: YES –Boland, Cox, Desmond, Finnila, Gleason, Panknin, Smisek; NO – None; ABSENT – Robinson, Young. (Weighted Vote Points: YES – 79; NO – 0; ABSENT – 21)

13. AUTHORIZE THE PRESIDENT/CEO TO EXECUTE TASK AUTHORIZATIONS FOR CONSTRUCTION PHASE SERVICES AND MANAGEMENT SERVICES, AND WORK AUTHORIZATIONS FOR CONSTRUCTION PHASE SERVICES; AND AUTHORIZE PROGRAM FUNDING FOR THE TERMINAL DEVELOPMENT PROGRAM ("GREEN BUILD"):

RECOMMENDATION: The Terminal Development Program Committee recommends that the Board:

1. Adopt Resolution No. 2010-0073, authorizing the President/CEO to execute Work Authorizations for construction phase management services and release funding, in an amount not-to-exceed one hundred twenty-four million dollars (\$124,000,000) under Contract 1 (Terminal 2 West Building and Airside Expansion at San Diego International Airport); and

2. Adopt Resolution No. 2010-0074, authorizing the President/CEO to execute Task Authorizations for construction-phase services and release funding, in an amount not-to-exceed eighteen million dollars (\$18,000,000) under Contract 2 (Terminal 2 Elevated Departure Curb / Transit Plaza and Landside Modifications at San Diego International Airport); and

3. Adopt Resolution No. 2010-0075, authorizing the President/CEO to execute Work Authorizations for construction-phase services and release funding, in an amount not-to-exceed fourteen million dollars (\$14,000,000) under Contract 2 (Terminal 2 Elevated Departure Curb / Transit Plaza and Landside Modifications at San Diego International Airport); and

4. Adopt Resolution No. 2010-0076, authorizing funding for Program Management and Related Services/Projects associated with the execution of the work related to this Board Action through the end of calendar year 2010, in an amount not-to-exceed twelve million, nine hundred fifty-five thousand, three hundred forty-two dollars (\$12,955,342).

ACTION: Moved by Board Member Boland and seconded by Board Member Cox to approve staff's recommendations. Motion carried by the following vote: YES – Boland, Cox, Desmond, Finnila, Gleason, Panknin, Smisek; NO – None; ABSENT – Robinson, Young. (Weighted Vote Points: YES – 79; NO – 0; ABSENT – 21)

14. APPROVE THE AWARD OF A WORK AUTHORIZATION TO TURNER/PCL/FLATIRON, A JOINT VENTURE FOR THE TERMINAL DEVELOPMENT PROGRAM ("GREEN BUILD"), TO ALLOW THE JOINT VENTURE TO SELF PERFORM THE PROJECT TO CONSTRUCT TERMINAL 2 WEST APRON AND ANCILLARY FACILITIES AT SAN DIEGO INTERNATIONAL AIRPORT:

Bryan Enarson, Vice President, Development, and Jana Vargas, Director, Procurement, provided an overview of the Staff Report and the appeal process, including the Authority's response to the bid protest.

RECOMMENDATION: Adopt Resolution No. 2010-0077, approving the award of a Work Authorization to Turner/PCL/Flatiron, a Joint Venture for the Terminal Development Program ("Green Build"), in an amount not-to-exceed \$24,348,280.00, for Project No. 201201B, to allow the Joint Venture to Self-Perform the Project to Construct Terminal 2 West Apron and Ancillary Facilities at San Diego International Airport.

ACTION: Moved by Board Member Cox and seconded by Board Member Finnila to approve staff's recommendation. Motion carried by the following vote: YES – Boland, Cox, Desmond, Finnila, Gleason, Panknin, Smisek; NO – None; ABSENT – Robinson, Young. (Weighted Vote Points: YES – 79; NO – 0; ABSENT – 21)

15. DISCUSSION OF OPTIONS FOR NORTH SIDE PROJECT DEVELOPMENT AND FINANCING (INCLUDING THIRD PARTY AGREEMENTS):

Vernon Evans, Vice President, Finance/Treasurer, provided a presentation on Options for North Side Project Development and Financing (Including Third Party Agreements) that included: Potential North Side Development; Centralized Receiving & Distribution Center; Air Cargo Facilities; Fixed Base Operator (FBO); Development/Financing Options and Next Steps.

Board Member Finnila requested that staff provide a summary report on General Aviation activities.

In response to Board Member Panknin regarding whether requirements under the California Environmental Quality Act and the National Environmental Policy Act would be presented as a whole and what the timeline requirement was in this regard, Keith Wilschetz, Director, Airport Planning, stated that the Environmental Supplemental Impact Report started in February, 2010, and is anticipated to be completed in the Fall of 2010.

Thella F. Bowens, President/CEO, requested direction from the Board regarding using third party agreements to develop the North Side.

Board Member Panknin stated that his preference would be Tenant Financing.

Board Member Boland stated that he is in favor of third party development.

Board Member Finnila stated that she is in favor of third party development.

Chair Gleason stated that he is in favor of third party development.

RECOMMENDATION: Receive the information.

17. RESPONSE TO THE GRAND JURY REPORT ON EFFICIENCY IN GOVERNMENT:

Jeffrey Woodson, Vice President, Administration, provided an overview of the Staff Report.

RECOMMENDATION: Adopt Resolution No. 2010-0079, approving the response to the Grand Jury Report on Efficiency in Government.

ACTION: Moved by Board Member Cox and seconded by Board Member Finnila to approve staff's recommendation. Motion carried by the following vote: YES – Boland, Cox, Desmond, Finnila, Gleason, Panknin, Smisek; NO – None; ABSENT – Robinson, Young. (Weighted Vote Points: YES – 79; NO – 0; ABSENT – 21)

18. RESPONSE TO THE GRAND JURY REPORT REGARDING ETHICS IN GOVERNMENT:

Fred Bolger, Manager, Audit Services, provided an overview of the Staff Report.

RECOMMENDATION: Adopt Resolution No. 2010-0080, approving the response to the Grand Jury Report regarding Ethics in Government.

ACTION: Moved by Board Member Finnila and seconded by Board Member Cox to approve staff's recommendation. Motion carried by the following vote: YES – Boland, Cox, Desmond, Finnila, Gleason, Panknin, Smisek; NO – None; ABSENT – Robinson, Young. (Weighted Vote Points: YES – 79; NO – 0; ABSENT – 21)

REPORT ON CLOSED SESSION: Breton Lobner, General Counsel, reported that in regards to Item 24, the Board gave direction to the President/CEO to continue negotiations; and in regards to Item 27, the General Counsel reported that there was a confidential settlement dated June 7, 2010.

Chair Gleason reported that in regard to the Public Employees Performance Evaluations, Items 20, 21, and 22, the Board met in Closed Session to discuss these items and determined that in accordance with their contracts these employees were eligible for a potential bonus.

ACTION #1: Moved by Board Member Desmond and seconded by Board Member Smisek to approve a 3% Bonus for the President/CEO for FY 2009-2010. Motion carried by the following vote: YES – Boland, Cox, Desmond, Finnila, Gleason, Panknin, Smisek; NO – None; ABSENT – Robinson, Young. (Weighted Vote Points: YES – 79; NO – 0; ABSENT– 21)

ACTION #2: Moved by Board Member Desmond and seconded by Board Member Smisek to approve a 3% Bonus for the General Counsel for FY 2009-2010. Motion carried by the following vote: YES – Boland, Cox, Desmond, Finnila, Gleason, Panknin, Smisek; NO – None; ABSENT – Robinson, Young. (Weighted Vote Points: YES – 79; NO – 0; ABSENT– 21)

ACTION #3: Moved by Board Member Smisek and seconded by Board Member Desmond to approve a 3% Bonus for the Chief Auditor for FY 2009-2010. Motion carried by the following vote: YES – Boland, Cox, Desmond, Finnila, Gleason, Panknin, Smisek; NO – None; ABSENT – Robinson, Young. (Weighted Vote Points: YES – 79; NO – 0; ABSENT– 21)

NON-AGENDA PUBLIC COMMENT: None

GENERAL COUNSEL REPORT:

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 3:39 P.M.

APPROVED BY A MOTION OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY BOARD THIS 2ND DAY OF SEPTEMBER, 2010.



TONY R. RUSSELL
DIRECTOR, CORPORATE SERVICES/
AUTHORITY CLERK

APPROVED AS TO FORM:



BRETON K. LOBNER
GENERAL COUNSEL