

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY BOARD
MINUTES
THURSDAY, JULY 6, 2017
SAN DIEGO INTERNATIONAL AIRPORT
BOARD ROOM**

CALL TO ORDER: Chairman Boling called the regular meeting of the San Diego County Regional Airport Authority to order at 9:03 a.m. on Thursday, July 6, 2017, in the Board Room at the San Diego International Airport, Administration Building, 3225 North Harbor Drive, San Diego, CA 92101.

PLEDGE OF ALLEGIANCE: Board Member Woodworth (Ex Officio) led the Pledge of Allegiance.

ROLL CALL:

PRESENT: Board Members: Boling (Chairman), Cox, Gleason, Janney, Kersey, Robinson, Schumacher, Woodworth (Ex-Officio)

ABSENT: Board Members: Berman (Ex-Officio), Desmond, Ortega (Ex Officio), Sessom

ALSO PRESENT: Angela Shafer-Payne, Vice President Operations; Amy Gonzalez, General Counsel; Tony R. Russell, Director, Corporate and Information Governance/Authority Clerk; Stephanie Heying, Assistant Authority Clerk II

Chairman Boling announced that following the presentation for Item A, the Board would take public comment, and then Item 17 would be heard.

PRESENTATIONS:

A. PORT MASTER PLAN UPDATE:

Rafael Castellanos, Vice Chairman, Board of Commissioners, Port of San Diego (Port), and Lesley Nishihira, Principal, Planning and Green Port, Port of San Diego provided a presentation on the Port Master Plan Update – Integrated Planning, which included the Port’s Jurisdiction; Port’s Budget for 2016-2017; Current Port Master Plan; Integrated Planning; Comprehensive Park Plan; Baywide Water Plan; Mobility Plan; Land Use and Development Opportunities; Public Engagement; Draft Modified Timeline for Increased Public Engagement; and Cross-Connecting Themes.

NON-AGENDA PUBLIC COMMENT:

DOLORAS SANCHEZ, SAN DIEGO, spoke regarding the Service Employees International Union (SEIU) and Janitor negotiations.

DOLORES CORRALES, SAN DIEGO, spoke regarding the Service Employees International Union (SEIU) and Janitor negotiations.

GENOVEVA AGUILAR, SAN DIEGO, spoke regarding the Service Employees International Union (SEIU) and Janitor negotiations.

SANDRA VALONE, SAN DIEGO, spoke regarding the flight path and noise in her neighborhood.

17. DISCUSSION AND POSSIBLE ACTION REGARDING STREET PRICING REQUIREMENT CONTAINED IN CONCESSION AGREEMENTS:

Scott Brickner, Vice President, Business and Financial Management, Kathy Kiefer, Senior Director, Finance and Asset Management, and Eric Podnieks, Program Manager, Real Property and Concessions provided a presentation on the Discussion and Possible Action Regarding Street Pricing Requirements Contained in Concession Agreements, which included the Existing Concession Program; Goals of Program; Process Used to Implement Program; Why "Street Pricing + 10%"; Street Pricing Lease Terms, Financial Stability Concerns; Financial Performance of Program; and Pricing Options to Consider.

In response to Board Member Cox's inquiry as to the effect the minimum wage increase would have on prices, Mr. Podnieks responded that street pricing mirrors what is happening in the community, so if the community prices go up as a result of the minimum wage increase or other factors then the airport's prices would go up the same proportion to the comparable locations.

JOHN CLARK, ATLANTA, GA, Vice President, Business and Development, representing SSP stated that SSP has been working with Authority staff for a year to identify a resolution and some of the ideas discussed have been brought forth today and he ask for an opportunity to continue the discussions to find a resolution for both sides.

Scott Brickner, Vice President, Business and Financial Management, clarified that the surcharge being discussed would not be a separate charge on the customer's receipt but an increase in the base price.

Board member Gleason stated that he is okay with including the surcharge in the base price.

Board Member Kersey stated that it is probably not a good idea to use sports and entertainment venues for comparables and that adding the 3 percent surcharge to the base price would be appropriate.

Chairman Boling expressed concern that the Board would be interfering in concessionaires business and does not feel the Authority should be. She also stated she would be ok with the 3 percent surcharge as described.

Board Member Robinson spoke in favor of maintaining the current requirements and monitoring the situation during 2018.

Mr. Podnieks clarified that if an off airport venue is charging a 3 percent surcharge e.g., a \$10 charge would be \$10.30, so if that business was one of the three comparables provided then staff would consider the \$10.30 as the base and apply 10 percent.

Board Member Janney stated that the surcharge would only affect concessions, and that more time is needed to see what the impacts are to concession prices.

In response to Board Member Kersey's question regarding how many vendors the 3 percent surcharge might affect, Mr. Podnieks stated that it would be difficult to predict how many vendors this might affect.

Board Member Kersey made a motion to select option 1 as outlined in the staff report, to leave street pricing language unchanged with the intent to re-evaluate in the fall of 2018, based on actual performance at that time. Board Member Robinson seconded the motion.

Chairman Boling stated that she is most concerned with the price of water, which has the highest volume and causes the biggest problems and expressed her support for the motion to make no change and re-evaluate when negotiations are done next year.

RECOMMENDATION: Provide direction to staff.

ACTION: Moved by Board Member Kersey and seconded by Board Member Robinson to select Option 1, as outlined in the Staff Report, to leave pricing language unchanged with the intent to re-evaluate in the fall of 2018 based on actual performance at that time. Motion carried by the following votes: YES – Boling, Cox, Gleason, Janney, Kersey, Robinson, Schumacher; NO – None; ABSENT – Desmond, Sessom; (Weighted Vote Points: YES – 80; NO – 0; ABSENT – 20).

CLOSED SESSION: The Board recessed into Closed Session at 10:42 a.m. to discuss Items 21, 26, 29, and 30.

- 21. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION:**
(Paragraph (1) of subdivision (d) of Cal. Gov. Code §54956.9)
Name of Case: GGTW LLC v San Diego County Regional Airport Authority, et al., San Diego Superior Court Case No. 37-2016-00032646-CU-BC-CTL
- 22. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION:**
(Paragraph (1) of subdivision (d) of Cal. Gov. Code §54956.9)
Name of Case: San Diego County Regional Airport Authority v. American Car Rental, Inc., San Diego Superior Court Case No. 37-2016-00024056-CL-BC-CTL
- 23. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION:**
(Paragraph (1) of subdivision (d) of Cal. Gov. Code §54956.9)
Dryden Oaks, LLC v. San Diego County Regional Airport Authority, et al., San Diego Superior Court, North County, Case No. 37-2014-00004077-CU-EI-NC
- 24. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:**
(Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Cal. Gov. Code §54956.9)
Investigative Order No. R9-2012-0009 by the California Regional Water Quality Control Board pertaining to an investigation of bay sediments at the Downtown Anchorage Area in San Diego.
Number of potential cases: 1
- 25. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:**
(Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Cal. Gov. Code §54956.9)
Navy Boat Channel Environmental Remediation
Number of potential cases: 1
- 26. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:**
(Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Cal. Gov. Code §54956.9)
Number of potential cases: 2
- 27. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:**
(Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Cal. Gov. Code §54956.9)
In re Seaport Airlines, Inc., U.S. Bankruptcy Court Case No. 16-30406-rld7
Number of potential cases: 1
- 28. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION**
(Initiation of litigation pursuant to paragraph (4) of subdivision (d) of Cal. Gov. Code §54956.9)
Number of cases: 1

29. PUBLIC EMPLOYEE PERFORMANCE EVALUATION:

Cal. Gov. Code §54957
Title: General Counsel

30. PUBLIC EMPLOYEE PERFORMANCE EVALUATION:

Cal. Gov. Code §54957
Title: Chief Auditor

REPORT ON CLOSED SESSION: The Board reconvened into Open Session at 11:05 a.m. There was no reportable action.

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

STANDING BOARD COMMITTEES

- **AUDIT COMMITTEE:** None.
- **CAPITAL IMPROVEMENT PROGRAM OVERSIGHT COMMITTEE:**
None.
- **EXECUTIVE PERSONNEL AND COMPENSATION COMMITTEE:** Chairman Boling reported that the Committee met on June 1, 2017, to review the General Counsel and Chief Auditor's 2017 Performance. The next Committee meeting will be held on August 28.
- **FINANCE COMMITTEE:** Chairman Boling reported that the Finance Committee met on June 26 and reviewed the financial status of the Airport as well as information on bonds, which the Board will be hearing about in more detail in today's meeting.

ADVISORY COMMITTEES

- **AUTHORITY ADVISORY COMMITTEE:** None.
- **ART ADVISORY COMMITTEE:** Board Member Gleason reported that the Call for Proposals for the 2018 Temporary Exhibition was released and is open until July 16, and that next year's theme is *Figure of Speech*. He reported that the Performing Arts have an ongoing concert series and the Performing Arts Residency transcenDANCE will perform pre-security on July 27. He reported Ueberall International, *Dazzle*: Installation of e-paper tiles was completed at the Rental Car Center; that staff has contracted with a fundraising consultant to explore sponsorship options for the Palm Street Observation Area; and the Mural Project on Admiral Boland Way has a call for artist, which will close on July 24. He reported that the Committee received presentations for the Federal Inspection Services (FIS) by commissioned artist Aaron T. Stephan and Walter Hood, and that artist Walter Hood has conducted a series of public workshops in conjunction with the AJA Project in City Heights, collecting objects of importance that signify home. He reported that the Arts Master Plan update is underway.

LIAISONS

- **AIRPORT LAND USE COMPATIBILITY PLAN:** None.
- **CALTRANS:** None.
- **INTER-GOVERNMENTAL AFFAIRS:** Board Member Cox reported that on June 26, the Supreme Court decided to allow parts of President Trump's Executive Order on Immigration to go into effect, while announcing that the Court would hear arguments in the case in October; that the House Transportation and Infrastructure Committee and the Senate Commerce Committee approved their respective versions of the Federal Aviation Administration (FAA) Reauthorization bills last week; and that while the House bill would transfer functions of the FAA to a new not-for-profit corporation, the four-year Senate bill would maintain these functions with the FAA. He reported that both bills would increase funding for the Airport Improvement Program and streamline the Passenger Facility Charge (PFC) application and approval process. He also reported that neither the House bill nor the Senate bill would alter the current \$4.50 per passenger PFC limit established by Congress in 2000, and that these bills are expected to be considered by the full House and Senate chambers prior to Congress' August recess. He also reported Daniel Elwell was sworn in last week as Deputy Administrator of the FAA.
- **MILITARY AFFAIRS:** None.
- **PORT:** Chairman Boling reported that the Harbor Drive Policy Group met for the first time and another Policy Group meeting would be held in the upcoming months.

- **WORLD TRADE CENTER:** Board Member Gleason reported that an updated 2017 World Trade Center Workplan was distributed to Board Members.

BOARD REPRESENTATIVES (EXTERNAL)

- **SANDAG TRANSPORTATION COMMITTEE:** Board Member Janney reported Rafael Castellanos was appointed as an ex officio member of the Committee.

CHAIR'S REPORT: Chairman Boling reported that Lufthansa announced new direct flights between Frankfurt and San Diego beginning March 2018, operating five-times weekly and connecting to other locations; that the Authority's 2016 Sustainability Report (Report) has been issued highlighting the Authority's activities and accomplishments for the year; and that Report includes the Terminal 2 Parking lot and the SAN's certifications through the Airports Council International (ACI) Airport Carbon Accreditation Program. She stated that it is not clear how the federal travel ban is being implemented; and that airport staff is working with CBP, DHS, industry trades and airport stakeholders to ensure smooth implementation of the Executive Order at SAN.

PRESIDENT/CEO'S REPORT: Angela Shafer-Payne, Vice President, Operations, reported that on June 26 the Authority held its tenth community meeting for the Naval Air Station North Island (NASNI) and Airport Land Use Compatibility Plan (ALUCP); and that staff provided an overview of the timeline and an explanation of the revisions that have been made to the draft policy during the working group process, and clarified the role of the Airport Land Use Commission (ALUC) and local agencies. She stated that another community meeting is expected in mid-2018 and that the draft of the Plan would be provided for public review. She reported that construction continues on the Parking Plaza and Federal Inspection Services (FIS); that more than 50 percent of the total columns have been poured; that more than 40 percent of total concrete has been poured for the Terminal 2 Parking Plaza; and that the project is on time and within budget. She reported that construction of the FIS is progressing with all foundation piles completed on the landside portion and that gates 48 and 50 remain closed while foundation pile driving for the airside building addition is underway; and that construction walls are also up around baggage claim 3 as they work to enlarge the carousel for domestic capacity in order to accommodate for the loss of carousels 7 and 8 for international arrivals. She reported that the enlarged baggage claim is scheduled for completion in late August.

CONSENT AGENDA (Items 1-13):

ACTION: Moved by Board Member Gleason and seconded by Board Member Robinson to approve the Consent Agenda. Motion carried by the following vote: YES – Boling, Cox, Gleason, Janney, Kersey, Robinson, Schumacher; NO – None; ABSENT – Desmond, Sessom (Weighted Vote Points: YES – 80; NO – 0; ABSENT – 20).

1. APPROVAL OF MINUTES:

RECOMMENDATION: Approve the minutes of the April 24, 2017, special meeting; May 18, 2017, special meeting; and June 1, 2017, 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 MAY 8, 2017 THROUGH JUNE 11, 2017 AND REAL PROPERTY AGREEMENTS GRANTED AND ACCEPTED FROM MAY 8, 2017 THROUGH JUNE 11, 2017:

RECOMMENDATION: Receive the report.

4. JULY 2017 LEGISLATIVE REPORT:

RECOMMENDATION: Adopt Resolution No. 2017-0054, approving the July 2017 Legislative Report.

5. APPROVE APPOINTMENTS TO THE ART ADVISORY COMMITTEE:

RECOMMENDATION: Adopt Resolution No. 2017-0055, approving the appointment of Jennifer Easton and Cris Scorza to the Art Advisory Committee.

6. GRANT AN EASEMENT TO SAN DIEGO GAS & ELECTRIC:

RECOMMENDATION: Adopt Resolution No. 2017-0056, authorizing the President/CEO to negotiate and execute an easement for utility purposes with San Diego Gas & Electric.

CLAIMS

7. REJECT THE CLAIM OF FUTURE DB INTERNATIONAL, INC.:

RECOMMENDATION: Adopt Resolution No. 2017-0057, rejecting the claim of Future DB International, Inc.

COMMITTEE RECOMMENDATIONS

CONTRACTS AND AGREEMENTS

8. **APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE A REIMBURSABLE AGREEMENT WITH THE DEPARTMENT OF TRANSPORTATION FEDERAL AVIATION ADMINISTRATION (FAA):**
RECOMMENDATION: Adopt Resolution No. 2017-0058, approving and authorizing the President/CEO to execute a Reimbursable Agreement between the Department of Transportation Federal Aviation Administration (FAA) and the San Diego County Regional Airport Authority, for a reimbursable amount not-to-exceed \$200,000, for Navaid Equipment Relocation and Site Study at San Diego International Airport.

9. **APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE A FIRST AMENDMENT TO THE AGREEMENT WITH ANDERSON & KREIGER:**
RECOMMENDATION: Adopt Resolution No. 2017-0059, approving and authorizing the President/CEO to execute a First Amendment to the Agreement with Anderson & Kreiger LLP for Professional Legal Services increasing the compensation amount by \$100,000 for a total not-to-exceed amount of \$200,000.

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

10. **AWARD A CONTRACT TO G&G SPECIALTY CONTRACTORS, INC. FOR QUIETER HOME PROGRAM PHASE 8, GROUP 12, PROJECT NO. 380812 (84 NON-HISTORIC MULTI-FAMILY UNITS ON 7 RESIDENTIAL PROPERTIES LOCATED EAST AND WEST OF THE AIRPORT):**
RECOMMENDATION: Adopt Resolution No. 2017-0060, awarding a contract to G&G Specialty Contractors, Inc., in the amount of \$1,319,742, for Phase 8, Group 12, Project No. 380812, of the San Diego County Regional Airport Authority's Quieter Home Program.

11. **APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE A FOURTH AMENDMENT TO THE PEST CONTROL AND REMEDIATION SERVICES AGREEMENT WITH CARTWRIGHT TERMITE & PEST CONTROL, INC.:**
RECOMMENDATION: Adopt Resolution No. 2017-0061, approving and authorizing the President/CEO to execute a Fourth Amendment to the Pest Control and Remediation Services Agreement with Cartwright Termite & Pest Control, Inc., exercising the Authority's option to extend the Agreement term for the second of two (2) one-year extensions to August 31, 2018, and increasing the amount payable by \$800,000 for a total not-to-exceed compensation amount of \$7,157,776.

12. APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE AN EIGHTH AMENDMENT TO THE ON-CALL SERVICES AGREEMENT WITH RICONDO & ASSOCIATES:

RECOMMENDATION: Adopt Resolution No. 2017-0062, approving and authorizing the President/CEO to execute an Eighth Amendment to the Agreement with Ricondo & Associates for On-Call Services increasing the compensation amount by \$1,600,000 for a total not-to-exceed amount of \$4,600,000.

13. AWARD A CONTRACT TO GRANITE CONSTRUCTION COMPANY, FOR CLEAR OBJECT FREE AREA (OFA) TAXIWAY B AT SAN DIEGO INTERNATIONAL AIRPORT:

RECOMMENDATION: Adopt Resolution No. 2017-0065, awarding a contract to Granite Construction Company, in the amount of \$5,598,909 for Project No. 104129, Clear Object Free Area (OFA) Taxiway B at San Diego International Airport.

PUBLIC HEARINGS:

OLD BUSINESS:

NEW BUSINESS:

14. DISCUSSION AND POSSIBLE ACTION REGARDING ARTS PROGRAM POLICY 8.50, SECTION 1(G) GIFTS AND LOANS OF ARTWORK:

Chris Chalupsky, Senior Manager, Vision, Voice, and Engagement; and Lauren Lockhart, Arts Program Manager, Vision, Voice, & Engagement provided a presentation on the Arts Program Policy 8.50, which included the Arts Program at SAN; Airport Art Master Plan Process and Purpose; Authority Policy 8.50; Authority Policy 8.50 Section 1 (g) Policy Process and Evaluation Criteria Gifts and Loans of Artwork; Public Art Program Survey; Art Advisory Committee; and the Art Master Plan Development Schedule.

In response to Chairman Boling's request to provide an overview of the process for bringing a new item to the Board and how that policy would interact with Policy 8.50, Amy Gonzalez, General Counsel, referred to Policy 1.30, which governs how an item may be put on the agenda and read Policy sections 1.30 (7)(a) and 1.30 (7)(d). Ms. Gonzalez further explained that the Board could add an item to the agenda regarding accepting donations or loaned artwork but the Policy, as written, provides the President/CEO sole discretion to determine whether or not to accept donated or loaned artwork.

Board Member Cox made the motion to amend Authority Policy 8.50 where the CEO/President has exclusive authority, to provide a provision to allow three or more members of the Board to add item(s) to the agenda for further review. Board Member Robinson seconded the motion.

Board Member Gleason stated that the Art Program is the best in class and its success is because politics and influence do not play a role. He stated that the governance piece is an important part of its success. He stated that this would be a dangerous precedence to set and he does not support the motion.

In response to Board Member Robinson's request for confirmation that under the current policy, three Board members could submit a request to the Executive Committee, Ms. Gonzalez stated that a request could be submitted to add an item to the agenda, but under the Art Policy the President/CEO still has the sole discretion to determine whether the Authority accepts loans of artwork. She stated that a Board member could request that an item be added to the agenda but that the Board would have to waive the policy if the President/CEO decided, in their sole discretion, not to accept a loan of artwork.

Board Member Kersey stated that he does not want the Board to become an art review body and that there is currently a path to review items and that we should stick with that path. He suggested adding a space in the Airport where art could be temporarily displayed for flexibility.

Chris Chalupsky, Senior Manager, Vision, Voice, and Engagement, stated that the recommendation is to not change the policy at this time, but as a part of the Art Master Plan, there would be a review of the policy and an opportunity to have discussions if the Board wanted to do something as Board Member Kersey is suggesting with a temporary display area.

In response to Chairman Boling's understanding that a Board Member could bring an item to the Executive Committee for consideration to be placed on the agenda, Ms. Gonzalez stated that is correct and read section 1.30(7)(d), which outlines the intent of the Board and Executive Committee to honor all requests of Board Members to add an item to the agenda and if the request is not honored, the Board member along with two other Members may submit a request in writing to the Executive Committee and the item shall be added to the agenda.

Board Member Janney stated that he would like to have a policy and process in place that is better defined. He stated that he does not feel comfortable putting the Board in a position where the Board would have to waive a policy temporarily to do something.

RECOMMENDATION: Staff recommends that no amendments be made to Authority Policy 8.50 at this time.

ACTION: Moved by Board Member Cox and seconded by Board Member Robinson to amend Authority Policy 8.50, where the President/CEO has exclusive authority, to provide a provision to allow three or more members of the Board to add item(s) to the agenda for further review. Motion failed by the following votes: YES – Cox, Robinson, Janney; NO – Boling, Gleason, Kersey, Schumacher; ABSENT - Desmond, Sessom; (Weighted Vote Points: YES – 28; NO – 52; ABSENT – 20)

15. AWARD A CONTRACT TO GRANITE CONSTRUCTION COMPANY FOR REHABILITATE RUNWAY 9-27 AND REHABILITATE CROSS TAXIWAYS B1, B4-B7, C3, C4 AND C6 AT SAN DIEGO INTERNATIONAL AIRPORT:

Iraj Ghaemi, Director, Facilities Development provided a presentation on the Rehabilitation of Runway 9-27 and Cross Taxiways B1, B4 – B7, C3, C4, and C6, which included a Project Overview.

RECOMMENDATION: Adopt Resolution No. 2017-0064, awarding a contract to Granite Construction Company in the amount of \$22,839,002.50 for Project No. 104219, Rehabilitate Runway 9-27 and Project No. 104220, Rehabilitate Cross Taxiways B1, B4-B7, C3, C4 and C6 at San Diego International Airport.

ACTION: Moved by Board Member Robinson and seconded by Board Member Janney to approve staff's recommendation. Motion carried by the following votes: YES – Boling, Cox, Gleason, Janney, Kersey, Robinson, Schumacher; NO – None; ABSENT – Desmond, Sessom; (Weighted Vote Points: YES – 80; NO – 0; ABSENT – 20).

16. AUTHORIZATION OF BOND DOCUMENTS AND SALE OF UP TO \$400 MILLION AIRPORT REVENUE BONDS, INCLUDING DELEGATION OF PRICING AUTHORITY, TO REFUND A PORTION OF THE AUTHORITY'S OUTSTANDING SUBORDINATE REVOLVING OBLIGATIONS AND TO FUND THE PARKING PLAZA, FIS AND CAPITAL IMPROVEMENT PROGRAM; AUTHORIZATION OF THE \$10 MILLION IRREVOCABLE COMMITMENT OF PASSENGER FACILITY CHARGES IN FY 2018 TO THE PAYMENT OF DEBT SERVICE AND; AUTHORIZATION OF REIMBURSEMENT AGREEMENT:

John Dillon, Director, Business and Financial Management provided a presentation on the Subordinate Airport Revenue Bonds Series 2017A (Non-AMT) and Subordinate Airport Revenue Bonds Series 2017B (AMT), which included Debt Profile; Plan of Finance; Projected Debt Profile; Airport Debt Per Enplanement; Historic and Projected Debt Service Coverage; Favorable Current Market Conditions; Principal Documents of the General Airport Revenue Bond (GARB) Sale; and Preliminary Timeline.

RECOMMENDATION: The Finance Committee recommends that the Board adopt Resolution No. 2017-0066, (1) authorizing the issuance and sale of not-to-exceed \$400 million in aggregate principal amount of one or more series of San Diego County Regional Airport Authority Subordinate Airport Revenue Bonds; and (2) approving the forms of a Fifth Supplemental Subordinate Trust Indenture, Preliminary and Final Official Statements, a Purchase Contract, a Continuing Disclosure Certificate, and certain related matters; and

Adopt Resolution No. 2017-0067, authorizing an irrevocable commitment of certain Passenger Facility Charges for the payment of debt service on the Authority's Senior and Subordinate Obligations and certain related matters; and

Adopt Resolution 2017-0068, authorizing the establishment of a method for the San Diego County Regional Airport Authority to make declarations of official intent in order to permit the Authority to reimburse itself and other parties for capital expenditures with proceeds of future taxable or tax-exempt borrowings in accordance with Internal Revenue Service reimbursement regulations.

ACTION: Moved by Board Member Robinson and seconded by Board Member Kersey to approve staff's recommendation. Motion carried by the following votes: YES – Boling, Cox, Gleason, Janney, Kersey, Robinson, Schumacher; NO – None; ABSENT – Desmond, Sessom; (Weighted Vote Points: YES – 80; NO – 0; ABSENT – 20).

18. AUTHORIZE AN AMENDMENT TO THE FEDERAL INSPECTION SERVICES FACILITY AGREEMENT WITH TURNER-PCL, A JOINT VENTURE, ALLOWING THE CONVERSION OF THE BASIS OF PAYMENT OF COSTS INCURRED FOR SUBCONTRACTORS NOT PROCURED COMPETITIVELY FROM TIME AND MATERIALS TO LUMP SUM:

Bob Bolton, Director, Airport Design & Construction

RECOMMENDATION: Adopt Resolution No. 2017-0063, authorizing an amendment to the Federal Inspection Services Facility agreement with Turner-PCL, a Joint Venture, allowing subcontractors not procured using a competitive process to be paid on a lump sum basis rather than on a time and materials basis.

ACTION: Moved by Board Member Janney and seconded by Board Member Gleason to approve staff's recommendation. Motion carried by the following votes: YES – Boling, Cox, Gleason, Janney, Kersey, Robinson, Schumacher; NO – None; ABSENT – Desmond, Sessom; (Weighted Vote Points: YES – 80; NO – 0; ABSENT – 20).

19. DISCUSSION AND POSSIBLE ACTION REGARDING PUBLIC EMPLOYEE COMPENSATION- GENERAL COUNSEL:

Chairman Boling reported on May 11 and June 1, 2017, the Executive Personnel and Compensation Committee met with General Counsel to evaluate performance and productivity for FY 2017 and discuss goals for FY 2018, and determined General Counsel has delivered results exceeding performance goals on behalf of the organization.

RECOMMENDATION: Discuss and possibly take action regarding public employee compensation.

ACTION: Moved by Chairman Boling and seconded by Board Member Cox to adopt Resolution No. 2017-0069, approving a 1% increase to the base wage and a one-time stipend of 4% to the current base salary of the General Counsel. Motion carried by the following votes: YES – Boling, Cox, Gleason, Janney, Kersey, Robinson, Schumacher; NO – None; ABSENT – Desmond, Sessom; (Weighted Vote Points: YES – 80; NO – 0; ABSENT – 20).

20. DISCUSSION AND POSSIBLE ACTION REGARDING PUBLIC EMPLOYEE COMPENSATION- CHIEF AUDITOR:

RECOMMENDATION: Discuss and possibly take action regarding public employee compensation.

ACTION: No action taken.

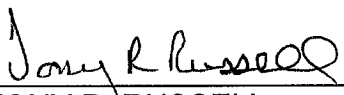
GENERAL COUNSEL REPORT: None.

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: None.

ADJOURNMENT: The meeting was adjourned at 12:19 p.m.

APPROVED BY A MOTION OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY BOARD THIS 7th DAY OF SEPTEMBER, 2017.



TONY R. RUSSELL
DIRECTOR, CORPORATE &
INFORMATION GOVERNANCE /
AUTHORITY CLERK

APPROVED AS TO FORM:



AMY GONZALEZ
GENERAL COUNSEL