

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY BOARD
MINUTES
THURSDAY, MAY 2, 2024
SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
BOARD ROOM**

CALL TO ORDER: Chair Cabrera called the meeting of the San Diego County Regional Airport Authority Board to order at 9:01 a.m. on Thursday, May 2, 2024, at the San Diego County Regional Airport Authority, Administration Building, 2417 McCain Road, San Diego, CA 92101.

PLEDGE OF ALLEGIANCE: Chair Cabrera led the pledge of allegiance.

ROLL CALL:

PRESENT: Board Members: Bedell (Ex-Officio), Benzian, Cabrera (Chair), Martinez, Montgomery Steppe, Perez, Sanchez, Sly, Townsend (Ex-Officio), Vaus

ABSENT: Board Members: von Wilpert

ALSO PRESENT: Angela Shafer-Payne, Vice President/CDO; Amy Gonzalez, General Counsel; Shawna Morales, Assistant Authority Clerk II; Patricia Willis, Assistant Authority Clerk I

Chair Cabrera reported that there was a bid protest filed on item 12, so this item was pulled from the agenda to allow time for the completion of the protest process.

PRESENTATIONS:

A. REVIEW OF THE UNAUDITED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED MARCH 31, 2024:

Scott Brickner, Vice President and Chief Financial Officer, provided a presentation on the Review of the Unaudited Financial Statements for the Nine Months, ended March 31, 2024, and 2023 that included, Operating Revenues; Operating Expenses; Non-Operating Revenues and Expenses; Financial Summary; Statement of Net Position as of March 31, 2024; Assets and Deferred Outflow of Resources; Liabilities, Deferred Outflow of Resources and Net Position.

B. SDCERS ACTUARIAL VALUATION UPDATE FOR THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY PENSION PLAN:

Elizabeth Stewart, Director, Accounting and Gregg Rademacher, Chief Executive Officer, San Diego City Employees' Retirement System, provided a presentation on SDCERS Actuarial Valuation Updated for the San Diego International Airport that included, Mission; The Big Picture; The Valuation Process; Funding Ratio; Balancing Funding Objectives; Total Portfolio Asset Allocation; Investment Return Assumption; Members Living Longer; Airport UAL History; Airport Valuation Results and Sources of Change; Timing; Peer Funding Survey and California Funding Survey.

REPORTS FROM BOARD COMMITTEES, AD HOC COMMITTEES, AND CITIZEN

COMMITTEES AND LIAISONS:

- **AUDIT COMMITTEE:** Board Member Sanchez reported that the Audit Committee last met on March 25, 2024.
- **CAPITAL IMPROVEMENT PROGRAM OVERSIGHT COMMITTEE:** Board Member Perez reported that the last CIPOC Meeting was held on April 18, 2024 and was combined with the annual Capital Budget Workshop. He reported that the Board heard a construction and budget update on New Terminal 1 along with the proposed capital projects for next fiscal year.
- **EXECUTIVE PERSONNEL AND COMPENSATION COMMITTEE:** None.
- **FINANCE COMMITTEE:** Board Member Sly reported that the Finance Committee met on April 22nd, and at that meeting, the committee reviewed the Unaudited Financial Statements for the nine months ended March 31, 2024, as well as the Authority's investment report as of March 31, 2024.

ADVISORY COMMITTEES

- **AUTHORITY ADVISORY COMMITTEE:** None.
- **ARTS ADVISORY COMMITTEE:** Board Member Martinez reported that the current Performing Arts Resident, DrumatiX, will perform their newly created dances in the terminals April 29, 2024, through May 10, 2024 and that the performance is inspired by the rhythms of the Airport. She also reported that this is the first in-terminal residency since the pandemic and proposals are now being accepted for the 2024-2025 performing arts residencies.

LIAISONS

- **CALTRANS:** Board Member Townsend reported that Caltrans is continuing maintenance of facilities around the airport and the I-5 clean up on the ramps to downtown.
- **INTER-GOVERNMENTAL AFFAIRS:** Chair Cabrera reported that the Congressional negotiators announced a deal Monday morning on Federal Aviation Administration (FAA) Reauthorization, this deal will fund the FAA for four years and will include several policy priorities of the San Diego County Regional Airport. He reported that the deal will also include 10 new slot exemptions (or five roundtrip flights) to Ronald Reagan Washington National Airport (DCA) and that the Authority's Government Relations team is hopeful that San Diego Airport will receive one of those slot pairs. He reported that the deal will also include significant funding for the Airport Improvement Program, which is an important grant program the Authority relies on. He also reported that the legislation will be heard on the Senate floor this week ahead of the FAA expiration deadline on May 10, 2024. He reported that in Sacramento, April 26, 2024, was the last day for policy committees to hear and report to fiscal committees all measures requiring new expenditures, and May 5, 2024, is the deadline for all non-fiscal measures to clear policy committees.
- **MILITARY AFFAIRS:** Board Member Bedell reported that repairs on their facilities runways are continuing and on schedule to have dual runways operating by July 4, 2024. He reported that the base did their annual Sempra Forces Protection exercise last week, and it went well. He also reported that there are two events coming up at Miramar Base, which are the 3rd annual Flight Line 5K on June 22, 2024, and the America's Air Show on September 27, 2024, through September 28, 2024.
- **PORT:** None.
- **WORLD TRADE CENTER:** None.

BOARD REPRESENTATIVES (EXTERNAL)

- **SANDAG BOARD OF DIRECTORS:** Chair Cabrera reported that the SANDAG Board of Directors has met twice since the last Board meeting. He reported that at the first meeting, the Board was in closed session for the entirety of the meeting and at the second meeting, the Board appointed Mario Orso, the current Caltrans District 11 Chief Deputy Director, as SANDAG's new Chief Executive Officer. He also reported that the Board also received the management response to the Independent Performance Auditor's Report on SANDAG's State Route 125 Toll Operations.

- **SANDAG TRANSPORTATION COMMITTEE:** Board Member Sanchez reported that the SANDAG Transportation Committee met once since the last Board meeting and at that meeting, staff presented an overview of where people lived and worked in the region and how this information is being used as part of the 2025 Regional Plan process.

CHAIR REPORT: Chair Cabrera reported that May 19th through May 25th is National Travel and Tourism Week and he acknowledged the San Diego Tourism Authority, World Trade Center of San Diego, the regional EDCs, the regional and local chambers of commerce, the County of San Diego and its 18 cities, that partners with San Diego Regional County Airport has collectively served as a catalyst for job creation, stimulating economic growth all while enhancing the overall quality of life in the region . He also reported that San Diego International Airport generates an annual economic impact of \$12 billion dollars to the region, and the New Terminal 1 project is projected to create over 15,000 jobs. He reported that he spoke at the Take Flight program at the Airport Authority, the program welcomed a number of college students in the industry. He reported that last month Kimberly Becker, the President, and CEO of the Airport Authority, received the AXN Award for Director of the Year, Large Airports Division by Airport Experience News.

PRESIDENT/CEO REPORT: Angela Shafer-Payne, Vice President and Chief Development Officer, reported that the New Terminal 1 construction remains on schedule. She reported that the parking plaza stage one is over 90 percent complete with the expected opening in late August and phase 1A of the terminal building is over 60 percent complete, with progress being made on the exterior, roofing, apron paving and the interior. She reported that ten California Least Terns have been observed circling, they have not nested, and these are the first Least Terns of the season and that there will be continued updates throughout the season. She reported that Breeze Airways completed its inaugural flight to San Diego and that Breeze offers non-stop flights to five destinations: Cincinnati, Jacksonville, Norfolk, Raleigh-Durham, and Pittsburgh. She also reported that last month, British Airways added a seasonal second daily flight to London from San Diego which will run through October 25th, and that Lufthansa Airlines expanded their service to Munich, Germany from three to five times per week and that daily service will begin next month. She reported that, April was National Volunteer Month and San Diego International Airport has approximately 200 volunteers who serve as ambassadors in the terminals, where they are a part of creating an exceptional airport experience for the community and the world by being a friendly presence in the terminals through various programs. She also reported that Airport Authority staff participates in volunteer events throughout the year and that most recently they took part in the Creek to Bay Cleanup event at Cesar Chavez Park, as part of *I Love a Clean San Diego*. She reported that the Planning & Environmental Affairs team hosted a free, drive-through Airport Collection Event on April 24th to accept electronic waste, spent light bulbs, batteries, and household items, and over a hundred tenants and employees participated.

She reported that, as part of the Authority's Veteran Fellowship Program, there are four Veterans, and they are working on a fifth. She also reported that SAN's Employee Diversity, Equality & Inclusion Committee, along with Kim Becker, CEO, and representatives from the Women's Leadership Group and SAN Pride, hosted a luncheon for the Veteran Fellows and that at this event they had a chance to network and engage with other employees whom they might not normally work with daily. She reported that the program is designed to foster a seamless transition for veterans from active duty to the civilian work environment by providing an opportunity to gain practical work experience in our integrated aviation environment.

NON-AGENDA PUBLIC COMMENT: None.

CONSENT AGENDA (ITEMS 1 - 11):

ACTION: Moved by Board Member Vaus and seconded by Board Member Sanchez to approve the Consent Agenda. Motion carried by the following votes: YES - Benzian, Cabrera, Martinez, Montgomery Steppe, Perez, Sanchez, Sly, Vaus; NO - None; ABSENT -von Wilpert. (Weighted Vote Points: YES - 87; NO - 0; ABSENT - 13)

1. APPROVAL OF MINUTES:

RECOMMENDATION: Approve the minutes of the April 4, 2024, 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 AND APPROVED CHANGE ORDERS FROM MARCH 11, 2024, THROUGH APRIL 7, 2024, AND REAL PROPERTY AGREEMENTS GRANTED AND ACCEPTED FROM MARCH 11, 2024, THROUGH APRIL 7, 2024:

RECOMMENDATION: Receive the report.

4. MAY 2024 LEGISLATIVE REPORT:

RECOMMENDATION: Adopt Resolution No. 2024-0028, approving the May 2024 Legislative Report.

CLAIMS:

5. REJECT THE CLAIM OF YOLANDA HIGGINS:

RECOMMENDATION: Adopt Resolution No. 2024-0029, rejecting the claim of Yolanda Higgins.

6. REJECT THE CLAIM OF GEORGETTE STOTT:

RECOMMENDATION: Adopt Resolution No. 2024-0030, rejecting the claim of Georgette Stott.

7. REJECT THE CLAIM OF BIBIAGHA HUSSAIN:

RECOMMENDATION: Adopt Resolution No. 2024-0031, rejecting the claim of Bibiagha Hussain.

COMMITTEE RECOMMENDATIONS:

8. ACCEPTANCE OF THE UNAUDITED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED MARCH 31, 2024:

RECOMMENDATION: The Finance Committee recommends that the Board accept the report.

9. ACCEPTANCE OF THE AUTHORITY INVESTMENT REPORT AS OF MARCH 31, 2024:

RECOMMENDATION: The Finance Committee recommends that the Board accept the report.

CONTRACTS AND AGREEMENTS:

10. APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE A FIRST AMENDMENT TO THE AGREEMENT WITH NAVISITE, LLC FOR ORACLE JD EDWARDS ENTERPRISEONE MANAGED HOSTING SERVICES:

RECOMMENDATION: Adopt Resolution No. 2024-0032, approving and authorizing the President/CEO to execute a 1st Amendment to the Agreement with Navisite, LLC for Oracle JD Edwards EnterpriseOne Managed Hosting Services, extending the term for 1-year to November 30, 2025.

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

11. APPROVE THE THIRD AMENDMENT TO THE AGREEMENT WITH BRADFORD AIRPORT LOGISTICS, LTD TO EXTEND THE CONTRACT TO DECEMBER 31, 2028 AND TO INCREASE THE NOT TO EXCEED AMOUNT BY \$9 MILLION TO A NOT TO EXCEED AMOUNT OF \$21.9 MILLION:

RECOMMENDATION: Adopt Resolution No. 2024-0033 approving the Third Amendment to the Agreement with Bradford Airport Logistics, LTD to extend the contract to December 31, 2028, and to increase the not to exceed amount by \$9 million to a not to exceed amount of \$21.9 million.

PUBLIC HEARINGS:

OLD BUSINESS:

NEW BUSINESS:

Item not heard at this meeting.

12. AWARD AND AUTHORIZE THE PRESIDENT/CEO TO NEGOTIATE AND EXECUTE AN AGREEMENT FOR PARKING MANAGEMENT SERVICES:

RECOMMENDATION: Adopt Resolution No. 2024-0034, awarding and authorizing the President/CEO to negotiate and execute an agreement with SP Plus Corporation for Parking Management Services for a term of three (3) years with options for two (2) one-year extensions in an amount not to exceed fifty-six million dollars (\$56,000,000.00).

CLOSED SESSION: The Board recessed into Closed Session at 9:35 a.m. to hear Items 13, 15 and 16.

13. 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. AQ US SW Holding Co., et al.*, San Diego Superior Court Case No. 37-2023-00032124-CU-BC-CTL

14. CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION:

Paragraph (1) of subdivision (d) of Cal. Gov. Code §54956.9
Name of Case: *United States of America v. City of San Diego, et al. and Related Cross Actions*
United States District Court Case No. 3:23-CV-00541-LL-BGS

15. CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION:

Initiation of litigation pursuant to paragraph (4) of subdivision (d) of Section 54956.9:
Number of potential Cases: 2

16. CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Section 54956.9:
Number of cases: 1

REPORT ON CLOSED SESSION: The Board adjourned out of Closed Session at 11:00 a.m. There was no reportable action.

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 11:00 a.m.

APPROVED BY A MOTION OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY BOARD THIS 6th DAY OF JUNE 2024.

ATTEST:



SHAWNA MORALES
ASSISTANT AUTHORITY CLERK II

APPROVED AS TO FORM:



AMY GONZALEZ
GENERAL COUNSEL