

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY BOARD
MINUTES
THURSDAY, OCTOBER 3, 2024
SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
BOARD ROOM**

CALL TO ORDER: Vice Chair Sly called the meeting of the San Diego County Regional Airport Authority Board to order at 9:07 a.m. on Thursday, October 3, 2024, at the San Diego County Regional Airport Authority, Administration Building, 2417 McCain Road, San Diego, CA 92101.

PLEDGE OF ALLEGIANCE: Vice Chair Sly led the pledge of allegiance.

ROLL CALL:

PRESENT: Board Members: Benzian, Herrmann (Ex-Officio), Martinez, Montgomery Steppe, Perez, Sanchez, Sly (Vice Chair), Vaus, von Wilpert

ABSENT: Board Members: Cabrera (Chair), Perrault (Ex-Officio), Townsend (Ex-Officio)

ALSO PRESENT: Angela Shafer-Payne, Vice President and Chief Development Officer; Amy Gonzalaz, General Counsel; Annette Fagan Ortiz, Authority Clerk; Patricia Willis, Assistant Authority Clerk I

Roy Abboud, Acting Deputy District Director of Planning and Local Assistance Division, attended the meeting on behalf of Board Member Townsend.

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

- **AUDIT COMMITTEE:** Board Member Sanchez reported that the committee met on September 9, 2024, and the meeting agenda had several items that included the Audit Committee's Annual Report, Global Internal Audit Standards Update, Revision to the office of the Chief Auditor Fiscal 2025 Audit Plan, Revisions to both the Charter of the Audit Committee and Charter for the Office of the Chief Auditor and most of these items are on today's Board meeting agenda.
- **CAPITAL IMPROVEMENT PROGRAM OVERSIGHT COMMITTEE:** Board Member von Wilpert reported that the committee has not had a meeting since the last Board meeting. She reported that the staff is looking to reschedule the October CIPOC meeting to November and will continue to work with the Board Members' calendars.

- **EXECUTIVE PERSONNEL AND COMPENSATION COMMITTEE:** Vice Chair Sly reported that the committee met on September 19, 2024. He reported that at that meeting, the committee received a presentation on the Renewal of the Health & Welfare Benefits Program for 2025 and forwarded a recommendation to the Board for approval of the item, which is on today's agenda under New Business.
- **FINANCE COMMITTEE:** Vice Chair Sly reported that the committee met on September 23, 2024, and at that meeting, the committee reviewed the Unaudited Financial Statements for the two months ended August 31, 2024. He also reported that the committee reviewed the Authority Investment Report as of August 31, 2024.

ADVISORY COMMITTEES

- **AUTHORITY ADVISORY COMMITTEE:** None.
- **ARTS ADVISORY COMMITTEE:** Board Member Martinez reported that the Arts Team announced the recipients of the next Performance Arts Residency Program; Malashock Dance will be in the fall of 2024, and Poets Underground will be in the spring of 2025.

LIAISONS

- **CALTRANS:** Roy Abboud, Acting Deputy District Director of the Planning and Local Assistance Division, reported that Caltrans is completing an asset management maintenance project on Interstate 5 near the Airport that will soon go out to bid and, in 2025, go into construction. He reported that Caltrans will communicate with the airport about any closures and detours that may take place as they maintain the roadways during that time. He reported that Caltrans will not have road closures or large-scale projects that will affect the Airport's community over the next month.
- **INTER-GOVERNMENTAL AFFAIRS:** Matt Harris, Director of Government Affairs, reported that Congress voted to pass a stopgap appropriations measure that keeps federal agencies funded at fiscal year 2024 levels through December 20, 2024. He reported that Congress is on a six-week recess, and members have returned home to campaign ahead of election day and will reconvene on Capitol Hill on November 12, 2024. He also reported that in Sacramento, August 31, 2024, marked the end of the 2023-2024 legislative session; the legislature is in extraordinary session right now on one topic and will end that this month and go on recess until they convene to begin the new legislative session on December 2, 2024.

- **MILITARY AFFAIRS:** Col. Herrmann reported that Miramar's Marine Corps Air Station hosted the America Airshow from September 27th through 29th, with 338,000 guests in attendance. He thanked the local FAA representatives, neighboring Airports, and fellow pilots for accommodating the busy airspace and temporary flight restrictions that were crucial for making the airshow possible. He also thanked the San Diego Community for their unwavering support.
- **PORT:** None.
- **WORLD TRADE CENTER:** None.

BOARD REPRESENTATIVES (EXTERNAL)

- **SANDAG BOARD OF DIRECTORS:** Vice Chair Sly reported that the committee met twice since the last Board meeting; at the first meeting, the Independent Performance Auditor presented a summary of the performance audit of SANDAG's contracts invoicing and payment process for the audit period of July 1, 2019, to June 30, 2023. He reported that, at the second meeting, the CEO presented an update on the agency's activities, and staff presented an overview of the 2025 Regional Plan Update. He reported that the next meeting is scheduled for October 11, 2024.
- **SANDAG TRANSPORTATION COMMITTEE:** Board Member Sanchez reported that the committee has met once since the last board meeting, and at the meeting, the committee held a public hearing to receive testimony on the proposed final 2025 Regional Transportation Improvement Program and recommended that the Board of Directors approve the proposed final plan. She reported that the next meeting is scheduled for October 18, 2024.

CHAIR REPORT: Vice Chair Sly reported that October is Hispanic and Latinx Heritage Month, LGBTQ + History Month, and Filipino American History Month and that the Airport Authority has several activities planned around these cultural celebrations. He reported that the Airport Authority's annual United Way Workplace Campaign is underway and that the volunteer employee committee has several activities planned to support the campaign. He also reported that last year's employee campaign raised more than \$30,000 for the United Way of San Diego County.

PRESIDENT/CEO REPORT: Angela Shafer-Payne, Vice President and Chief Development Officer, reported an update on the New T1. She reported that the New T1 remains on schedule and on budget, phase one is 72 percent completed, and phase two of the new T1 Parking Plaza is 55 percent completed. She reported that Alaska Airlines will add two nonstop seasonal services from San Diego to Reno, Nevada, and (EGE) Vail, Colorado, in December 2024.

She reported that on September 21, 2024, the Airport Authority participated in the Coastal Clean Up Day at Ceaser Chavez Park, which was hosted by I Love A Clean San Diego. She also reported that I Love A Clean San Diego honored the Airport Authority with a Community Collaboration Award. She reported that the Airport Authority won the SANDAG Gold Tier Diamond Award, which honors organizations with Employees Commuter Programs promoting sustainable commute choices in the workplace. She reported that the Planning, Noise, and Environmental Department, in collaboration with the Authority's Communications Division, has worked with SANDAG on a transit survey for passengers and employees at the Airport; this survey begins this week and will run through the end of October. She also reported that SANDAG aims to collect 5,000 responses through in-person and electronic signatures and that this data collected will be shared with the Airport Authority, which will assist in future planning efforts related to ground transportation and used by SANDAG to calculate transit ridership. She reported that the Airport hosted an Honor Flight for Veterans of all branches of the Military on Sunday, September 29, 2024, and that about 800 people gathered in the Terminal 2 Baggage Claim to welcome the flight home, which carried the veterans to Washington D.C., where they toured the Nation's Memorials. She also recognized Philip Erdelsky, who has volunteered at the San Deigo International Airport since 1974; this year, he is celebrating 50 years of serving his community through the Airport.

NON-AGENDA PUBLIC COMMENT: None

CONSENT AGENDA (ITEMS 1 - 11):

ACTION: Moved by Board Member Vaus and seconded by Board Member Montgomery Steppe to approve the Consent Agenda. Motion carried by the following votes: YES - Benzian, Martinez, Montgomery Steppe, Perez, Sanchez, Sly, Vaus, von Wilpert; NO - None; ABSENT - Cabrera. (Weighted Vote Points: YES - 86; NO - 0; ABSENT - 14)

1. APPROVAL OF MINUTES:

RECOMMENDATION: Approve the minutes of the September 5, 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 AUGUST 11, 2024, THROUGH SEPTEMBER 8, 2024, AND REAL PROPERTY AGREEMENTS GRANTED AND ACCEPTED FROM AUGUST 11, 2024, THROUGH SEPTEMBER 8, 2024:

RECOMMENDATION: Receive the report.

4. OCTOBER 2024 LEGISLATIVE REPORT:

RECOMMENDATION: Adopt Resolution No. 2024-0080, approving the October 2024 Legislative Report.

5. ANNUAL REVIEW AND NOTIFICATION OF BOARD MEMBER WEIGHTED VOTE POINT ALLOCATION AS REQUIRED BY SECTION 170014 OF THE CALIFORNIA PUBLIC UTILITIES CODE:

RECOMMENDATION: Adopt Resolution No. 2024-0081, accepting the Board Member Weighted Vote Point Allocation as required by Section 170014 of the California Public Utilities Code.

CLAIMS:

COMMITTEE RECOMMENDATIONS:

6. FISCAL YEAR 2024 ANNUAL REPORT FROM THE AUDIT COMMITTEE:

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

7. FISCAL YEAR 2024 ANNUAL REPORT FROM THE OFFICE OF THE CHIEF AUDITOR:

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

8. REVISION TO THE CHARTER OF THE AUDIT COMMITTEE:

RECOMMENDATION: The Audit Committee recommends that the Board adopt resolution 2024-0082, approving the revision to the Charter of the Audit.

9. REVISION TO THE CHARTER FOR THE OFFICE OF THE CHIEF AUDITOR:

RECOMMENDATION: The Audit Committee recommends that the Board adopt resolution 2024-0083, approving the revision to the Charter for the Office of the Chief Auditor.

10. REVISION TO THE FISCAL YEAR 2025 AUDIT PLAN OF THE OFFICE OF THE CHIEF AUDITOR:

RECOMMENDATION: The Audit Committee recommends that the Board adopt Resolution No. 2024-0084, approving the revision to the Fiscal Year 2025 Audit Plan of the Office of the Chief Auditor.

CONTRACTS AND AGREEMENTS:

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

11. APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE AN AGREEMENT WITH TSG INDUSTRIES, LLC, TO PROVIDE ONE (1) 6 PLEX MODULAR OFFICE BUILDING FACILITY FOR THE NEW AIRPORT SHUTTLE BUS PARKING LOT AT SAN DIEGO INTERNATIONAL AIRPORT:

RECOMMENDATION: Adopt Resolution No. 2025-0085, approving and authorizing the President/CEO to negotiate and execute an agreement with TSG Industries, LLC, for one (1) 6Plex modular office building facility, in an amount not to exceed \$1,597,068.70 in support of Project No. 413002, Shuttle Lot Relocation at San Diego International Airport.

PUBLIC HEARINGS:

OLD BUSINESS:

NEW BUSINESS:

12. APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE A MARKETING AND ADVERTISING SERVICES AGREEMENT:

Jon Graves, Director, Marketing, Arts, Air Service Development, provided a presentation on the New Marketing and Advertising Agency that included Authority's Strategic Initiatives, Marketing Goals and Objectives, What We Were Looking For, and The Shipyard.

RECOMMENDATION: Adopt Resolution No. 2024-0086, approving and authorizing the President/CEO to execute an Agreement for Marketing and Advertising Services with the Shipyard for a term of three (3) years, with the option for two (2) one-year extensions exercisable at the discretion of the President/CEO, for an aggregate total not to exceed amount of \$6 million for five (5) years.

ACTION: Moved by Board Member von Wilpert and seconded by Board Member Vaus to approve the recommendation. Motion carried by the following votes: YES - Benzian, Martinez, Montgomery Steppe, Perez, Sanchez, Sly, Vaus, von Wilpert; NO - None; ABSENT - Cabrera. (Weighted Vote Points: YES - 86; NO - 0; ABSENT - 14)

13. RENEWAL OF THE HEALTH & WELFARE BENEFITS PROGRAM FOR 2025:

Monty Bell, Director, Human Resources, provided a presentation on the Renewal of the Health & Welfare Benefits Program for 2025 that included Highlights; Current Program; Financials and Market Study Results; Medical Overview; Ancillary Overview; Additional Benefits; and New Benefits.

RECOMMENDATION: Adopt Resolution No. 2024-0087, approving the renewal of the Health and Welfare Benefits Program for 2025.

ACTION: Moved by Board Member Sanchez and seconded by Board Member Benzian to approve the recommendation. Motion carried by the following votes: YES – Benzian, Martinez, Montgomery Steppe, Perez, Sanchez, Sly, Vaus, von Wilpert; NO – None; ABSENT – Cabrera. (Weighted Vote Points: YES – 86; NO – 0; ABSENT - 14)

14. AUTHORIZE A DIVIDED VOTE ELECTION IN ACCORDANCE WITH SECTION 218(D) OF THE SOCIAL SECURITY ACT:

Amy Gonzalez, General Counsel, provided a presentation on the Social Security and 218 Agreement, which included the Defined Benefit Pension Plan (DB) and Social Security; Vote Required; and Next Steps – Timeline.

RECOMMENDATION: Adopt Resolution No. 2024-0088 approving the resolution provided by CalPERS authorizing the Divided Vote Election.

ACTION: Moved by Board Member Sanchez and seconded by Board Member Perez to approve the recommendation. Motion carried by the following votes: YES – Benzian, Martinez, Montgomery Steppe, Perez, Sanchez, Sly, Vaus, von Wilpert; NO – None; ABSENT – Cabrera. (Weighted Vote Points: YES – 86; NO – 0; ABSENT - 14)

15. APPROVE AN AMENDMENT TO THE DEFINED CONTRIBUTION PLAN:

Monty Bell, Director, Human Resources, provided a presentation on the Amendment to the Defined Contribution Plan, which included Background, Retirement Plans, and Social Security.

RECOMMENDATION: Adopt Resolution No. 2024-0089 approving and authorizing the President/CEO to execute an amendment to the Authority's Defined Contribution Plan which would increase the Authority's contribution to 8% and eliminate the Authority's match.

ACTION: Moved by Board Member Martinez and seconded by Board Member Vaus to approve the recommendation. Motion carried by the following votes: YES – Benzian, Martinez, Montgomery Steppe, Perez, Sanchez, Sly, Vaus, von Wilpert; NO – None; ABSENT – Cabrera. (Weighted Vote Points: YES – 86; NO – 0; ABSENT - 14)

The Board recessed at 10:13 a.m. and reconvened at 10:15 a.m.

CLOSED SESSION: The Board recessed into Closed Session at 10:16 a.m. to hear items 16-18.

Amy Gonzalez, General Counsel, announced that Item 17 will be 1 case and item 18 will be 1 case. She also announced that on Item 18, significant exposure of litigation pursuant unto paragraph 2, subdivision (D) of section 54956.9, for 1 case, the existing facts and circumstances, pursuant to Section E3, is the receipt of a claim, pursuant to the Government Code and the Government Claims Act, which is available for public inspection upon request.

16. 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

17. 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

18. CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION:

Significant exposure of litigation pursuant to paragraph (2) of subdivision (d) of Section 54956.9; Number of potential Cases: 2

REPORT ON CLOSED SESSION: The Board reconvened out of Closed Session at 10:30 a.m.

GENERAL COUNSEL REPORT: Amy Gonzalez, General Counsel, reported that on July 11, 2024, the Board authorized a settlement of the claim filed by Jonathan Heller. She reported that the vote was unanimous, noting Board Members Benzian and Vaus as absent. She reported that on September 20, 2024, the Airport Authority, San Diego City Employees' Retirement System (SDCERS), and Jonathan Heller executed a settlement agreement and release, wherein SDCERS will post to Mr. Heller's account the total underpaid contributions which is \$64,400 plus interest accruing thereon under the plan. She reported that SDCERS will not invoice this amount to the Airport Authority as an expense; instead, the Airport Authority acknowledges that the amount incurred will accrue to the Airport Authority's liability under its plan as part of the unfunded actuarial liability. She also reported that each party releases and forever discharges any and all claims and demands that arise from or related to the claim.

**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 adjourned at 10:31 a.m.


APPROVED BY A MOTION OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
BOARD THIS 7th DAY OF NOVEMBER 2024.

ATTEST:



ANNETTE FAGAN ORTIZ
AUTHORITY CLERK

APPROVED AS TO FORM:



AMY GONZALEZ
GENERAL COUNSEL