

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
SPECIAL BOARD AND
EXECUTIVE AND FINANCE COMMITTEE MEETING MINUTES
MONDAY, AUGUST 27, 2018
BOARD ROOM**

CALL TO ORDER: Chairman Boling called the Special Board and Executive-Finance Committee Meeting to order at 9:05 a.m., on Monday, August 27, 2018, in the Board Room of the San Diego International Airport, Administration Building, 3225 N Harbor Drive, San Diego, CA 92101.

PLEDGE OF ALLEGIANCE: Board Member Robinson led the Pledge of Allegiance.

ROLL CALL:

Board

Present: Board Members: Boling (Chairman), Kersey, Lloyd
Robinson, Schiavoni, West

Absent: Board Members: Binns (Ex Officio), Cox, Desmond,
Dockery (Ex Officio), Schumacher,
Wong-Hernandez (Ex-Officio)

Executive Committee

Present: Committee Members: Boling (Chair), Robinson

Absent: Committee Members: Schumacher

Finance Committee

Present: Committee Members: Lloyd, Schiavoni, West

Absent: Committee Members: Cox

Also Present: Kimberly J. Becker, President/CEO; Amy Gonzalez, General
Counsel; Tony Russell, Director, Board Services/Authority Clerk;
Martha Morales, Assistant Authority Clerk I

Board Members Schiavoni and Kersey arrived at 9:10 a.m.

NON-AGENDA PUBLIC COMMENT: None

BOARD

PRESENTATIONS:

A. ECONOMIC IMPACT STUDY:

Hampton Brown, Senior Director, Marketing & Air Service and R. Scott Sanders, Vice President, CDM Smith provided a presentation on the Economic Impact Study which included the Study Background, Economic Impacts Measured, Economic Impact Metrics, Economic Model, On-Airport Tenant Impacts, Visitor Impacts, Construction Impacts, Off-Airport Parking & Air Cargo Impacts, Total Impacts and Future Flight Activity Economic Impacts Calculator.

NEW BUSINESS:

1. PARKING AND SHUTTLE OPERATIONS CONTRACT EXTENSIONS – ACE PARKING MANAGEMENT:

Marc Nichols, Director, Ground Transportation, provided an overview of the staff report.

RECOMMENDATION: Adopt Resolution No. 2018-0086, approving and authorizing the President/CEO to execute a Sixth Amendment to the Shuttle Management Services Agreement to extend the term by thirty (30) days resulting in a termination date of September 30, 2018.

ACTION: Moved by Board Member Robinson and seconded by Board Member West to approve staff's recommendation. Motion carried by the following votes: YES – Boling, Kersey, Lloyd, Robinson, Schiavoni, West; NO – None; ABSENT – Cox, Desmond, Schumacher; (Weighted Vote Points: YES – 68; NO – 0; ABSENT – 32).

2. APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE AN ON-CALL PROGRAM MANAGEMENT, STAFFING SUPPORT AND CONSULTING SERVICES AGREEMENT:

Dennis Probst, Vice President, Development, provided a presentation on the On-Call Program Management Consulting Services Agreement which included the Concept of Program Management, Inclusionary Approach, Authority Program Management Moving Forward, Program Management Selection Process, RFQ Evaluation Criteria and RFQ Participation Goals.

Chairman Boling requested to see how the initial budget is spent and justification for future spending when the item is brought back in 18 months.

Board Member Robinson announced his recusal on this item due to a potential conflict of interest.

RECOMMENDATION: Adopt Resolution No. 2018-0087, approving and authorizing the President/CEO to negotiate and execute an On-Call Program Management, Staffing Support and Consulting Services Agreement with AECOM Technical Services, Inc., for a term of five years with two one-year options, in an amount not-to-exceed \$19,500,000 for the first 18 months of the term, in support of planning, design and construction projects.

ACTION: Moved by Board Member Kersey and seconded by Board Member Lloyd to approve staff's recommendation. Motion carried by the following votes: YES – Boling, Kersey, Lloyd, Schiavoni, West; NO – None; ABSTAIN; Robinson; ABSENT – Cox, Desmond, Schumacher; (Weighted Vote Points: YES – 60; NO – 0; ABSENT – 32; ABSTAIN - 8).

3. APPROVE A LEASE WITH 828 VENUE MANAGEMENT CO., LLC TO DEVELOP AND OPERATE AN EVENT VENUE WITHIN THE THIRD FLOOR COMMERCIAL SPACE OF THE RENTAL CAR CENTER:

Lisa Poitras, Real Estate Manager, Revenue Management, provided a presentation on the Lease to Develop and Operate an Event Venue within the Third Floor Commercial Space of the Rental Car Center which included the Background, Overview of 828 Venue Management Co. LLC, Proposal, Floor Plan, Business Terms and Financial Model.

RECOMMENDATION: Adopt Resolution No. 2018-0088, authorizing the President/CEO to negotiate and execute a lease with 828 Venue Management Co., LLC for the development and use of the third floor commercial space within the Rental Car Center.

ACTION: Moved by Board Member Robinson and seconded by Board Member West to approve staff's recommendation. Motion carried by the following votes: YES – Boling, Kersey, Lloyd, Robinson, Schiavoni, West; NO – None; ABSENT – Cox, Desmond, Schumacher; (Weighted Vote Points: YES – 68; NO – 0; ABSENT – 32).

FINANCE COMMITTEE

NEW BUSINESS:

4. REVIEW OF THE UNAUDITED FINANCIAL STATEMENTS FOR THE TWELVE MONTHS ENDED JUNE 30, 2018:

Scott Brickner, Vice President, Finance and Asset Management/Treasurer and Kathy Kiefer, Senior Director, Finance and Asset Management provided a presentation on the Unaudited Financial Statements which included Enplanements, Gross Landing Weight Units, Operating Revenue, Total Operating Revenue, Total Operating Expenses, Net Operating Income (Loss) Summary, Nonoperating Revenue & Expenses and Statements of Net Position.

RECOMMENDATION: Forward to the Board with a recommendation for acceptance.

ACTION: Moved by Board Member West and seconded by Board Member Schiavoni to approve staff's recommendation. Motion carried unanimously noting Board Member Cox as ABSENT.

5. REVIEW OF THE AUTHORITY'S INVESTMENT REPORT AS OF JUNE 30, 2018:

Geoff Bryant, Manager, Airport Finance provided a presentation on the investment report which included the Objectives, Portfolio Characteristics, Sector Distribution, Quality & Maturity Distribution, Investment Performance and Bond Proceeds.

Board Member Boling stated that the presentation is missing the unrealized gains. She stated that she found that information useful and requested that it be included in future presentations.

RECOMMENDATION: Forward to the Board with a recommendation for acceptance.

ACTION: Moved by Board Member West and seconded by Board Member Lloyd to approve staff's recommendation. Motion carried unanimously noting Board Member Cox as ABSENT.

EXECUTIVE COMMITTEE

NEW BUSINESS:

6. APPROVAL OF MINUTES:

RECOMMENDATION: Approve the minutes of the May 24, 2018 and June 25, 2018 regular meetings, and July 12, 2018 special meeting.

ACTION: Moved by Board Member Robinson and seconded by Chairman Boling to approve staff's recommendation. Motion carried unanimously noting Board Member Schumacher as ABSENT.

7. PRE-APPROVAL OF TRAVEL REQUESTS AND APPROVAL OF BUSINESS AND TRAVEL EXPENSE REIMBURSEMENT REQUESTS FOR BOARD MEMBERS, THE PRESIDENT/CEO, THE CHIEF AUDITOR AND GENERAL COUNSEL:

RECOMMENDATION: Pre-approve travel requests and approve business and travel expense reimbursement requests.

ACTION: Moved by Board Member Robinson and seconded by Chairman Boling to approve staff's recommendation. Motion carried unanimously noting Board Member Schumacher as ABSENT.

REVIEW OF FUTURE AGENDAS:

8. REVIEW OF THE DRAFT AGENDA FOR THE SEPTEMBER 6, 2018 BOARD MEETING:

KAMRAN HAMIDI, SAN DIEGO, CA provided a presentation and handouts and requested that the formation of the Ground Transportation Ad Hoc committee be approved at the September Board meeting.

FEKADU HITAHA, SAN DIEGO, CA requested that the airport be opened to all taxis.

ALEM ZEBIB, SAN DIEGO, CA, requested that the airport be opened to all taxis.

Kimberly J. Becker, President/CEO, provided an overview of the draft agenda for the September 6, 2018, Board meeting. She stated that the title for Item 8 was changed to "Authorize the President/CEO to Execute a Non-Binding Partnership Agreement with the City and County of San Francisco Regarding Joint Collaboration on the Advancement of Sustainable Aviation Fuel". She also stated that there is a request to add an item to the September Board agenda to establish a ground transportation ad hoc committee.

Chairman Boling stated that she is fine with tentatively adding the ad hoc committee item to the September agenda, but would like to meet and discuss the details of the proposed committee.

9. REVIEW OF THE DRAFT AGENDA FOR THE SEPTEMBER 6, 2018 AIRPORT LAND USE COMMISSION MEETING:

Kimberly J. Becker, President/CEO, provided an overview of the draft agenda for the September 6, 2018, ALUC meeting.

BOARD (CONTINUED)

CLOSED SESSION: The Board recessed into Closed Session at 10:22 a.m. to hear items 10 and 11.

10. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION:

(Paragraph (1) of subdivision (d) of Cal. Gov. Code §54956.9)

Name of Case: Enterprise Rent-a-Car Co. Of Los Angeles LLC v. San Diego Unified Port District, San Diego Superior Court Case No. 37-2018-00028276-CU-MC-CTL

11. 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: 2

REPORT ON CLOSED SESSION: The Board adjourned out of Closed Session at 11:34 p.m. Amy Gonzalez, General Counsel reported that, in regards to Item 11, the Board provided direction to staff.

COMMITTEE MEMBER COMMENTS:

ADJOURNMENT: The meeting adjourned at 11:34 a.m.

APPROVED BY A MOTION OF THE SAN DIEGO COUNTY REGIONAL AIRPORT
AUTHORITY BOARD THIS 4th DAY OF OCTOBER, 2018.

ATTEST:



TONY R. RUSSELL
DIRECTOR, BOARD SERVICES/
AUTHORITY CLERK

APPROVED AS TO FORM:



AMY GONZALEZ
GENERAL COUNSEL