

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY BOARD
MINUTES
THURSDAY, MARCH 7, 2013
SAN DIEGO INTERNATIONAL AIRPORT
BOARD ROOM**

CALL TO ORDER: Chair Gleason called the meeting of the San Diego County Regional Airport Authority Board to order at 9:04 a.m. on Thursday, March 7, 2013, in the Board Room at the San Diego International Airport, Commuter Terminal, 3225 North Harbor Drive, San Diego, CA 92101.

ROLL CALL:

PRESENT: Board Members: Alvarez, Berman (Ex Officio), Cox, Desmond, Gleason, Hubbs, Robinson, Sessom, Smisek

ABSENT: Board Members: Boland, Reyes (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

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

PRESENTATIONS: Chair Gleason announced that Item D would be heard at this time.

D. WATER QUALITY OBJECTIVES FOR SAN DIEGO BAY:

David Gibson, Executive Director, San Diego Regional Water Quality Control Board and Gary Strawn, Vice-Chairman, San Diego Regional Water Quality Control Board, provided an overview of the San Diego Regional Water Control Board's objectives and strategic plans for the San Diego Bay and other areas under their jurisdiction. A hand out was also provided to Board members highlighting the San Diego Water Board's practical vision from 2013 to 2019.

A. PRESENTATION OF MEDIUM-SIZE AIRPORT AWARD AND OVERALL AIRPORT AWARD IN THE AMERICAS:

Hampton Brown, Director, Air Service Development, and Jim Payne, Air Service Analyst, Air Service Development, reported that the Authority was the recipient of the Medium-size Airport Award and Overall Airport Award in the Americas. Mr. Brown also reported that as the winning recipient, the Authority would be moving forward as one of the nominees for the overall World awards being presented in October, 2013.

B. 2012 SAN ANNUAL PASSENGER SATISFACTION SURVEY RESULTS:

Murray Bauer, Director, Landside Operations, and Scott Ludwigsen, Executive Vice President, Phoenix Marketing International, provided a presentation on the 2012 Annual SAN Passenger Satisfaction Survey Results, which included the Methodology, Executive Summary, an overview of Independent/Dependent Variables, and Other Passenger Data Gathered for 2012.

In response to Board Member Alvarez regarding whether there was a breakdown on level of satisfaction based on the mode of transportation provided to the airport, Mr. Ludwigsen stated that this information could be made available.

Thella F. Bowens, President/CEO, stated that staff would provide the information.

Board Member Smisek recommended that a follow up passenger satisfaction survey be done after the Grand Opening of Terminal 2 in August, 2013.

In response to Board Member Sessom regarding what is done with the information received from the survey, Ms. Bowens stated that the data is analyzed by staff, assessments are made, and if needed, methodology is developed to improve performance in areas of concern.

Board Member Sessom suggested that it would be helpful for the Board to receive periodic updates of the ongoing efforts being made to improve areas of concern identified in the survey results.

C. UPDATE ON THE AIRPORT DEVELOPMENT PROGRAM:

Keith Wilschetz, Director, Airport Planning, provided an update on the Airport Development Plan which included an overview of the Passenger Intercept Surveys, Stakeholder Coordination and Next Steps.

The Board recessed at 10:26 a.m. and reconvened at 10:38 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 Audit Committee met on February 4, 2013 and forwarded two items to the Board for acceptance.

- **CAPITAL IMPROVEMENT PROGRAM OVERSIGHT COMMITTEE:** None.
- **EXECUTIVE PERSONNEL AND COMPENSATION COMMITTEE:**
Board Member Desmond reported that the Committee met on February 14, 2013 to discuss the performance of the President/CEO. He also reported that the Executive Personnel and Compensation Ad Hoc Committee is working with the outside consultant in regard to the compensation study related to the President/CEO, and that results from the study are anticipated to be provided to the Board within the first quarter of the new contract period.
- **FINANCE COMMITTEE:** None.

ADVISORY COMMITTEES

- **AUTHORITY ADVISORY COMMITTEE:**
Board Member Smisek reported that the Committee met on February 27 and that Authority staff provided a presentation on the Airport Development Plan. He also reported that the Chair of the Committee will be coming to address the Board at the April meeting.
- **ART ADVISORY COMMITTEE:**
Chair Gleason reported that a meeting is being held on April 10, 2013 between Authority Art Staff and public art programs representatives from the City of San Diego, San Diego County, and the Unified Port of San Diego. He stated that the scope of the meeting will be to discuss how to best provide to the public information about the various public art commissioning agencies in San Diego. He also reported that the Request for Proposal for the public art project for the East wall of the Commuter Terminal will be released in April, and that the expected completion date is December, 2013.

LIAISONS

- **AIRPORT LAND USE COMPATIBILITY PLAN FOR SAN DIEGO INTERNATIONAL AIRPORT:**
Board Member Robinson reported that staff provided briefings on the draft SDIA Airport Land Use Compatibility Plan to various elected officials and community groups. He also reported that on March 5th staff met with the Steering Committee to present updates to the Plan.

- **CALTRANS:**
Board Member Berman reported that the Public Works Plan for the North Coast Corridor was recently released for public review. She also expressed appreciation to the Authority staff involved in the Tuskegee Airmen event held with CALTRANS last month to name a section of Interstate 15, Tuskegee Airmen Highway.
- **INTER-GOVERNMENTAL AFFAIRS:**
Board Member Cox reported that in February staff briefed various elected officials and community groups on the SDIA Airport Land Use Compatibility Plan. He also reported that several Authority staff and Board Members joined elected officials in a sign unveiling event at MCAS Miramar for the new Tuskegee Airmen Highway, a section of Interstate 15.
- **MILITARY AFFAIRS:** None
- **PORT:** Chair Gleason reported that Item 19 on today's agenda will be addressed in Closed Session.

BOARD REPRESENTATIVES (EXTERNAL)

- **SANDAG TRANSPORTATION COMMITTEE:**
Board Member Smisek reported that at the meeting held on February 14, there were discussions regarding revenue revisions to the Transportation Development Act for 2014-2018, and an update on the Mid-corridor Transit Service was presented. He reported that on March 1 a joint meeting was held with the Regional Planning Committee, and the groups discussed the Public Works Plan for the North Coast Corridor.
- **WORLD TRADE CENTER:**
Chair Gleason reported that a new WTC President/CEO is on board, and to look forward to more active engagement from this group.

CHAIR'S REPORT:

Chair Gleason extended his appreciation to the Board for their participation and contributions at the March Board Workshop.

PRESIDENT/CEO'S REPORT:

Thella F. Bowens, President/CEO, expressed appreciation to the Board for their valuable input during the March Board Workshop. She reported that the United States Green Building Council notified the Authority that a Leadership in Energy and Environmental Design (LEED) Gold Certification is being awarded for the newly constructed Receiving and Distribution Center (RDC) which opened on the North Side. She stated that this is the first award of this kind in the world for this type of building. She also stated that it was exciting to see the new air service routes being developed from San Diego International Airport, such as the new nonstop to Miami (Florida) by American Airlines and the upcoming Southwest

Airlines non-stop service to Atlanta (Georgia) in September, 2013. She reported that she met with Transportation Security Administration (TSA) staff to discuss the ramifications of sequestration, which included no impacts to San Diego International Airport (SDIA) at this time. She stated that staff will continue to monitor the situation. She also reported that SDIA is scheduled to receive the new L-3 security scanners soon, and that the Authority will work with TSA to ensure any concerns by the traveling public are addressed.

CONSENT AGENDA: (Items 1-16)

Chair Gleason reported that Item 8 was pulled from the agenda to be addressed by the General Counsel, and requested that Item 15 be pulled from the Consent Agenda for discussion.

Board Member Hubbs requested that Item 4 be pulled from the Consent Agenda for discussion.

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 – Alvarez, Cox, Desmond, Gleason, Hubbs, Robinson, Sessom, Smisek; NO - None; ABSENT - Boland. (Weighted Vote Points: YES - 87; NO - 0; ABSENT- 13).

1. **APPROVAL OF MINUTES:**
RECOMMENDATION: Approve the minutes of the February 14, 2013, special 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 JANUARY 7, 2013 THROUGH FEBRUARY 10, 2013, AND REAL PROPERTY AGREEMENTS GRANTED AND ACCEPTED FROM JANUARY 7, 2013 THROUGH FEBRUARY 10, 2013:**
RECOMMENDATION: Receive the report.
4. **MARCH 2013 LEGISLATIVE REPORT:**
ACTION: This item was removed from the Consent Agenda for discussion.

5. **APPOINTMENT OF AUTHORITY ADVISORY COMMITTEE MEMBERS:**
RECOMMENDATION: Adopt Resolution No. 2013-0019, approving appointments to the Authority Advisory Committee.

6. **GRANT A DRAINAGE EASEMENT TO THE CITY OF SAN DIEGO AND ACCEPT A PARTIAL VACATION OF AN EXISTING DRAINAGE EASEMENT:**
RECOMMENDATION: Adopt Resolution No. 2013-0020, authorizing the President/CEO to negotiate and execute a storm water drainage Easement with the City of San Diego and accept a partial vacation of an existing storm water drainage Easement by the City of San Diego in part on the Rental Car Center and other Northside development sites.

CLAIMS

7. **AUTHORIZE THE REJECTION OF THE CLAIM OF DANIEL FERDIG:**
RECOMMENDATION: Adopt Resolution No. 2013-0021, authorizing the rejection of the claim of Daniel Ferdig.

8. **AUTHORIZE THE REJECTION OF THE CLAIM OF CLAUDINE ALVSTRALE:**
ACTION: This item was pulled from the Consent Agenda.

9. **AUTHORIZE THE REJECTION OF THE CLAIM OF SANDRA REDDING:**
RECOMMENDATION: Adopt Resolution No. 2013-0023, authorizing the rejection of the claim of Sandra Redding.

10. **AUTHORIZE THE REJECTION OF THE CLAIM OF MELVIN MCFARLIN:**
RECOMMENDATION: Adopt Resolution No. 2013-0024, authorizing the rejection of the claim of Melvin McFarlin.

11. **AUTHORIZE THE REJECTION OF THE CLAIM OF ARLENE LAPLANTE:**
RECOMMENDATION: Adopt Resolution No. 2013-0025, authorizing the rejection of the claim of Arlene LaPlante.

COMMITTEE RECOMMENDATIONS

12. **QUARTERLY AUDIT ACTIVITIES REPORT – FISCAL YEAR 2013 SECOND QUARTER, AND AUDIT RECOMMENDATIONS ISSUED BY THE OFFICE OF THE CHIEF AUDITOR:**
RECOMMENDATION: The Audit Committee recommends that the Board accept the report.

- 13. REVISION TO THE FISCAL YEAR 2013 AUDIT PLAN OF THE OFFICE OF THE CHIEF AUDITOR:**
RECOMMENDATION: The Audit Committee recommends that the Board accept the information.

CONTRACTS AND AGREEMENTS

- 14. CONSENT TO SUBLEASE AGREEMENT BETWEEN PROJECT HORIZON, INC. AND SOUNDBALANCE SAN, LLC:**
RECOMMENDATION: Adopt Resolution No. 2013-0026, consenting to a sublease agreement between Project Horizon, Inc. and Soundbalance SAN, LLC, and authorizing the President/CEO to execute the consent agreement.
- 15. CONSENT TO SUBLEASE AGREEMENT BETWEEN STELLAR PARTNERS, INC. AND BROOKSTONE COMPANY, INC.:**
ACTION: This item was pulled from the Consent Agenda for discussion.
- 16. CONSENT TO SUBLEASE AGREEMENT BETWEEN HIGH FLYING FOODS SAN DIEGO PARTNERSHIP AND PROCUREMENT CONCEPTS, INC.:**
RECOMMENDATION: Adopt Resolution No. 2013-0028, consenting to a sublease agreement between High Flying Foods San Diego Partnership and Procurement Concepts, Inc., and authorizing the President/CEO to execute the consent agreement.

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

ITEM PULLED FROM THE CONSENT AGENDA:

- 4. MARCH 2013 LEGISLATIVE REPORT:**
Board Member Hubbs suggested that language be included in Attachment B of the Legislative Report, to allow for the development of an appointment process.

Board Member Alvarez expressed support of a process to be made available to members of the public who might be willing to serve. Also, in regards to Section 170048(e), he questioned whether the language regarding other options should be taken out if it will limit what the Authority can do long term.

Chair Gleason suggested that language be added that the Authority may issue guidelines for the appointment process.

RECOMMENDATION: Adopt Resolution No. 2013-0018, approving the March 2013 Legislative Report.

ACTION: Moved by Board Member Alvarez and seconded by Board Member Smisek to approve staff's recommendation. Motion carried by the following vote: YES – Alvarez, Cox, Desmond, Gleason, Hubbs, Robinson, Sessom, Smisek; NO - None; ABSENT - Boland. (Weighted Vote Points: YES - 87; NO - 0; ABSENT- 13).

15. CONSENT TO SUBLEASE AGREEMENT BETWEEN STELLAR PARTNERS, INC. AND BROOKSTONE COMPANY, INC.:

MICKEY KASPARIAN, SAN DIEGO, President, United Food and Commercial Workers' Union, Local 135, spoke in opposition of this item because of issues regarding Worker Retention.

SUSAN STACKHAUSE, TAMPA, FL., Owner/President, Stellar Partners, Inc., stated that their company is in full compliance with the Worker Retention Program, and that the sublease agreement was part of the proposal. She urged the Board to approve the agreement.

In response to Board Member Alvarez regarding whether staff was aware of the concerns raised by the parties, Thella F. Bowens, President/CEO, stated that no formal notification had been received on this matter, only a phone call from the union, which had been referred to the General Counsel's Office.

Nyle Marmion, Manager, Concession Development, stated that his office tracks the activity related to the Worker Retention Program, and that Stellar Partners, Inc. has been adhering to the established guidelines for the program.

Breton K. Lobner, General Counsel, stated that Stellar Partners, Inc. has complied with the Worker Retention Program by hiring from the pool of employees. He stated that the issue is whether Stellar Partners, Inc. is a successor employer, and that this is a complex issue because it is not taking over a particular business at a particular location that would qualify it as a successor employer. He stated that this is a matter to be decided by the National Labor Relations Board. He also informed the Board that the Authority absolutely cannot take sides between employers and unions, and that the Authority has to honor its contract.

Board Member Desmond made a motion to approve staff's recommendation. Motion died due to the lack of a second.

Board Member Sessom expressed concern that the Board is just hearing about this issue. She requested a briefing on the program.

Chair Gleason stated that in the interest of supporting a smooth transition throughout this process, and wanting to have additional information regarding the Worker Retention Program, he supports continuing this item to the April Board meeting.

ACTION: Moved by Board Member Alvarez and seconded by Board Member Robinson to continue this item to the April Board Meeting. Motion carried by the following vote: YES – Alvarez, Cox, Gleason, Hubbs, Robinson, Sessom, Smisek; NO - Desmond; ABSENT - Boland. (Weighted Vote Points: YES - 75; NO - 12; ABSENT- 13).

Thella F. Bowens, President/CEO, stated that to ensure expeditious handling of this issue, she requested that Board Members submit any questions they may have to her in writing.

NON-AGENDA PUBLIC COMMENT:

MARGO TANGUAY, SAN DIEGO, urged the Board to address issues with taxi service at night.

Chair Gleason expressed appreciation for bringing the matter to the attention of the Board, and referred the matter to staff for follow up.

PUBLIC HEARINGS: None

OLD BUSINESS: None

NEW BUSINESS:

17. NUMBER NOT USED

18. APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE A FIRST AMENDMENT TO THE AGREEMENT WITH KONE INC. FOR ELEVATOR AND ESCALATOR MAINTENANCE AND REPAIR SERVICES:

Bryan Enarson, Vice President, Development, provided a presentation regarding the need to approve and authorize the President/CEO to execute a First Amendment to the agreement with Kone Inc. for elevator and escalator maintenance and repair services, which included an overview of the history, equipment inventory, contract overview, and the recommendation.

RECOMMENDATION: The Capital Improvement Program Oversight Committee recommends that the Board adopt Resolution No. 2013-0030, approving and authorizing the President/CEO to execute a First Amendment to the Agreement for Elevator and Escalator Maintenance and Repair between the San Diego County Regional Airport Authority and KONE Inc., increasing compensation by \$1,778,839.00 for a total not-to-exceed compensation amount of \$8,278,839.00 and extending the term for eight months, to expire December 31, 2013.

ACTION: Moved by Board Member Robinson and seconded by Board Member Smisek to approve staff's recommendation. Motion carried by the following vote: YES – Alvarez, Cox, Desmond, Gleason, Hubbs, Robinson, Sessom, Smisek; NO - NONE; ABSENT - Boland. (Weighted Vote Points: YES - 87; NO - 0; ABSENT- 13).

The Board recessed at 11:42 a.m. and reconvened at 12:25 p.m.

19. APPROVAL OF A MEMORANDUM OF UNDERSTANDING BETWEEN THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY AND THE SAN DIEGO UNIFIED PORT DISTRICT REGARDING POLICE SERVICES COSTS:

RECOMMENDATION: Adopt Resolution No. 2013-0031, approving the Memorandum of Understanding between the San Diego County Regional Airport Authority and the San Diego Unified Port District regarding police services costs.

ACTION: This item was not heard.

CLOSED SESSION: The Board recessed into Closed Session at 12:25 p.m. to discuss Items 25, 27, and 30.

20. CONFERENCE WITH LABOR NEGOTIATOR:

Labor negotiations pursuant to Cal. Gov. Code §54957.6:
Authority Designated Negotiators: Thella F. Bowens, President/CEO; and Jeffrey Woodson, Vice President, Administration
Employee Organization: Teamsters 911

21. CONFERENCE WITH REAL PROPERTY NEGOTIATORS:

Real property negotiations pursuant to Cal. Gov. Code §54954.5(b) and §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

- 22. CONFERENCE WITH REAL PROPERTY NEGOTIATORS:**
Legal Authority: Real property negotiations pursuant to Cal. Gov. Code § 54954.5(b) and § 54956.8
Property: 4347 North Harbor Drive, San Diego, CA 92101
Authority Negotiators: Vernon D. Evans, Vice President, Finance/Treasurer and Troy Ann Leech
Negotiating Party: City of San Diego
Under Negotiation: Terms and conditions of purchase
- 23. CONFERENCE WITH REAL PROPERTY NEGOTIATORS:**
Legal Authority: Real property negotiations pursuant to Cal. Gov. Code §54954.5(b) and §54956.8.
Property: 3312 Goldsmith Street, San Diego, CA 92106 (Assessor's parcel #450-142-13-00)
Agency Negotiators: Vernon Evans, Vice President, Finance/Treasurer and Troy Ann Leech, Director, Real Estate
Under Negotiation: Sale of property – terms and conditions
- 24. CONFERENCE WITH LEGAL COUNSEL-EXISTING LITIGATION:**
(Cal.Gov.Code §54956.9(a))
Ann Marie Teicek v. San Diego County Regional Airport Authority, et al.
LASC No. 37-2011-00102856-CU-PO-CTL
- 25. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION:**
(Cal. Gov. Code § 54956.9(a))
Jacob Mojadam, individually and on behalf of all those similarly situated v. San Diego County Regional Airport Authority, et al
San Diego Superior Court Case No. 37-2012-00098040-CU-MC-CTL
- 26. CONFERENCE WITH LEGAL COUNSEL-EXISTING LITIGATION:**
(Cal. Gov. Code Section 54956.9(A))
Diego Concession Group, Inc. v. San Diego County Regional Airport Authority S.D.S.C Case No. 37-2012-00088083-CU-BT-CTL
- 27. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:**
Initiation of litigation pursuant to subdivision (c) of §54956.9: (1 case)
- 28. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:**
Significant exposure to litigation pursuant to Cal. Gov. Code §54956.9(b) [Number of cases: 1] and §54956.9(b)(3)(C) [Liability claim against Authority by Theresa, Warren & Carl Hopkins]

29. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:

Significant exposure to litigation pursuant to Cal. Gov. Code §54956.9(b):
Kelly Lancaster, David Boenitz, Mary Erickson and Richard Gilb, et al v.
SDCERS, San Diego Sup. Court Case No. 37-2011-G0096238-CU-PO-CT
Number of cases: 1

30. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:

Significant exposure to litigation (Cal. Gov. Code §§ 54956.9 (b) and
54954.5)
Number of potential cases: 1
Re: Investigative Order No. R9-2012-0009 by the California Regional Water
Quality Control Board regarding submission of technical reports pertaining
to an investigation of bay sediments at the Downtown Anchorage Area in
San Diego

REPORT ON CLOSED SESSION: The Board reconvened into Open Session at
12:43 p.m. Chair Gleason stated that there was no reportable action.

NON-AGENDA PUBLIC COMMENT: None.

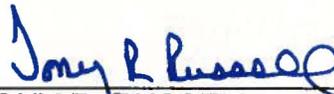
GENERAL COUNSEL REPORT: None.

**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.

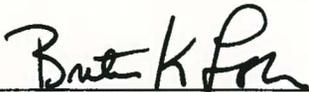
ADJOURNMENT: The Board adjourned at 12:44 p.m.

APPROVED BY A MOTION OF THE SAN DIEGO COUNTY REGIONAL
AIRPORT AUTHORITY BOARD THIS 4TH DAY OF APRIL, 2013.



TONY R. RUSSELL
DIRECTOR, CORPORATE SERVICES/
AUTHORITY CLERK

APPROVED AS TO FORM:



BRETON K. LOBNER
GENERAL COUNSEL