

DRAFT
SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY BOARD
MINUTES
THURSDAY, DECEMBER 2, 2010
BOARD ROOM

CALL TO ORDER: Chair Gleason called the meeting of the San Diego County Regional Airport Authority Board to order at 9:00 a.m. on Thursday, December 2, 2010, in the Board Room at the San Diego International Airport, Commuter Terminal, 3225 North Harbor Drive, San Diego, CA 92101.

PLEDGE OF ALLEGIANCE: Board Member Berman led the pledge of allegiance.

ROLL CALL:

PRESENT: Board Members: Berman (Ex-Officio), Boland, Desmond, Finnilla, Gleason, Panknin, Robinson, Smisek

ABSENT: Board Members: Cox, Col. Richie (Ex-Officio), Young

ALSO PRESENT: Thella F. Bowens, President/CEO; Breton K. Lobner, General Counsel; Tony R. Russell, Director, Corporate Services/Authority Clerk, Linda D. Gehlken, Assistant Authority Clerk I

Chair Gleason stated that the report from the Authority Advisory Committee would be followed by Item 18.

REPORT FROM CITIZEN COMMITTEE:

• **AUTHORITY ADVISORY COMMITTEE:**

Bella Heule, Chair, Authority Advisory Committee, provided a summary report of the November 17, 2010 Authority Advisory Committee meeting. She stated that the Committee has begun discussions on developing a plan for addressing the four major topics assigned to the Committee by the Board in the areas of Regional Aviation Strategic Plan (RASP), North Side Development, Terminal Development Program (Green Build), and strategic planning. She stated that the next meeting of the Committee will be on December 15, 2010.

NEW BUSINESS:

18. BOARD DISCUSSION AND APPROVAL OF CONTRACTUAL LANGUAGE REGARDING WORKER RETENTION FOR EMPLOYEES OF CONTRACTORS AND SUBCONTRACTORS TO BE INCLUDED IN THE REQUEST FOR PROPOSAL SOLICITATIONS FOR CONCESSIONS (RETAIL, FOOD AND BEVERAGE), AIRPORT SHUTTLE SERVICES AND PARKING SERVICES:

Jeffrey Woodson, Vice President, Administration, and Jana Vargas, Director, Procurement, provided a presentation on worker retention for employees of contractors and subcontractors which included Contract Award Considerations; an overview of Stakeholders' Meetings held on November 10, 2010 and November 15, 2010; and Highlights of Proposed RFP Language.

Board Member Desmond expressed concern that incumbent employers would be at a disadvantage compared to new employers because new employers would not have factors impacting their bottom line such as employees with seniority, extended vacations and/or extensive benefits packages.

Thella F. Bowens, President/CEO, stated that incumbent employers would be at a disadvantage only if the only factors being considered were cost and revenue. She stated that the RFP's will focus on various other criteria and that quality of service will be of great importance. She also stated that having a RFP process vs. a RFB one is advantageous because the matrix for awarding the contract will include several factors, not just the lowest bid.

Board Member Panknin recommended highlighting the value of existing employees within the RFP's criteria, and to allow respondents to have flexibility to submit a plan outlining how they would handle worker retention should they be awarded the contract.

Board Member Smisek expressed concern that if it is mandatory to hire existing employees, a non-incumbent employer can expect the quality of service to be the same because the staff has not changed; therefore he may provide a lower bid package anticipating that he will not be encumbered with the current contracts applicable to incumbent employers.

Ms. Bowens stated that although the current employer may have a relationship with a union, a new employer may also have a relationship with a union. She stated that typically, in the aviation industry, wages are comparable because employers do not want their employees to leave.

In response to Board Member Smisek's question regarding information on Seattle's move from a prime model to a multiple prime model with worker retention, Mr. Woodson stated that it was determined that Seattle's modifications did not incorporate worker retention; therefore it was not applicable to SDIA.

In response to Board Member Desmond regarding whether a "clean slate" concept, meaning all employers would start at the same base compensation, could be applicable to incumbent employers employing contract employees, Breton Lobner, General Counsel, stated that it would depend on whether the current collective bargaining contract agreement expires at the termination of the contract.

In response to Board Member Finnila regarding whether there is a liability issue for the Authority relating to the "just cause" concept, Mr. Lobner stated that current employees could possibly be considered as "third-party beneficiaries" under an adopted worker retention contract that would require mandatory retention of current employees. He stated that language would need to be incorporated in the contract/proposal package that this is a discretionary program, and does not create a "third party beneficiary" relationship. He stated that there is California law that addresses contracts for the benefit of third-parties, and that they are enforceable. He stated that further research would need to be done in this area.

Board Member Finnila stated that this is an important issue, and that it should be investigated further. She also requested that information gathered by staff regarding other airports which have implemented a worker retention program be provided to all Board Members.

BRIGETTE BROWNING, SAN DIEGO, Unite Here, urged the Board to adopt a worker retention policy.

WINNIE FIELDS, OCEANSIDE, urged the Board to adopt a worker retention policy.

PASTOR WAYNE RIGGS, spoke in support of adopting a worker retention policy.

Board Member Boland expressed the opinion that the Board has been very diligent throughout its deliberations this past year whenever it has addressed this issue. He stated that it was time to move forward on this item.

Board Member Boland moved to accept staff's recommendation. Board Member Robinson seconded the motion.

Board Member Panknin stated he could not support the motion as it stands because it sets the bar too low. He suggested revising the language by adding goals as outlined, and include the implementation of awarding "points" based on the strength of the proposed plan. He stated that if they do not submit a plan, their proposal would be considered non-responsive.

Board Member Finnila stated that prior to moving forward, the following should occur: 1) discretionary language to be developed by General Counsel regarding "just cause" and third party beneficiaries needs to be clarified; and 2) additionally clarify the RFP process to ensure it adheres to specific guidelines. She requested being able to view the final RFP before it is sent out to ensure expressed concerns are addressed.

Ms. Bowens stated that all RFP's are reviewed by General Counsel prior to their release.

Board Member Desmond stated that he supports the idea of having a point system included in the RFP to encourage competition and rankings. He stated that the Authority should put the responsibility on the prospective employers, and that the Authority not take on this liability.

Board Member Desmond introduced a substitute motion to keep the first two paragraphs in Attachment A and include language in the RFP regarding the Authority's values, and that the Authority wishes to have a worker retention program and require that potential employers provide a plan as to how they are going to address a worker retention program, and that the criteria be awarded points during the evaluation process. Board Member Panknin seconded the motion.

Board Member Smisek recommended placing all the criteria in the RFP, and to allow the maximum number of points for those wishing to use incumbent employees. He stated that the Authority should treat this issue like a business and require that prospective vendors submit a plan for worker retention and assign points to their submission during the evaluation process.

Chair Gleason stated that it is important to incorporate the appropriate language in the RFP to create a foundation/floor to encourage the retention of current employees because during the transition, there will be a tremendous amount of uncertainty. He stated that the current language allows potential employers to do more. He further stated that the Board should be setting the minimum criteria for companies to do business with the Authority. He requested that the Authority require the proposers to define just cause.

Ms. Bowens stated that by setting a minimum criteria, the Board is leveling the playing field.

Board Member Boland expressed concern that by loading the ranking points for hiring existing employees, there is a risk that the best RFP respondent may not be the successful one.

RECOMMENDATION: Adopt Resolution No. 2010-0142, approving contractual language regarding Worker Retention for Employees of Contractors and Subcontractors providing services at San Diego International Airport to be incorporated into the Request for Proposal (RFP) solicitations for Concessions (retail, food and beverage), Airport Shuttle Services and Parking Services.

SUBSTITUTE MOTION:

Moved by Board Member Desmond and seconded by Board Member Panknin to keep the first two paragraphs in Attachment A and include language in the RFP regarding the Authority's values, and that the Authority wishes to have a worker retention program and require that potential employers provide a plan as to how they are going to address a worker retention program, and that the criteria be awarded points during the evaluation process, and that if no plan for a worker retention program is submitted, that the proposal be deemed non-responsive.

ACTION: Motion failed by the following vote: YES – Desmond, Panknin, Smisek; NO – Boland, Finnilla, Gleason, Robinson; ABSENT – Cox, Young. (Weighted Vote Points: YES – 31; NO – 48; ABSENT – 21)

MAIN MOTION: Moved by Board Member Boland and seconded by Board Member Robinson to accept staff's recommendation and direct staff to include language in the RFP that provides a definition of just cause.

ACTION: Motion failed by the following vote: YES – Boland, Finnilla, Gleason, Robinson; NO – Desmond, Panknin, Smisek; ABSENT – Cox, Young. (Weighted Vote Points: YES – 48; NO – 31; ABSENT – 21)

Board Member Smisek recommended that this item be continued to a special Board meeting on December 20, 2010. The Board concurred.

The Board recessed at 10:40 a.m. and reconvened at 10:50 a.m.

Board Member Berman left the meeting.

Chair Gleason reported that Item A would be heard next, followed by Non-Agenda Public Comment, the Consent Agenda, and Item 20.

PRESENTATIONS:

A. PRESENTATION OF 2010 WORKPLACE EXCELLENCE AWARD FOR MID-SIZED COMPANIES:

Judy Enns, PhD., Executive Vice President, HR Solutions, presented the 2010 Workplace Excellence Award for Mid-Sized Companies to the Authority.

NON-AGENDA PUBLIC COMMENT:

KERI ROBINSON, SAN DIEGO, Sheraton Hotel and Marina, requested that the Board consider an extension of the Ground Transportation 7-year retirement policy for vehicles to December 2013. She provided the Board with a hand out.

NAMARA MERCER, SAN DIEGO, San Diego County Hotel and Motel Association, spoke in support for an extension of the Ground Transportation 7-year retirement policy for vehicles.

KEITH LIM, CHULA VISTA, urged the Board to address the concerns related to the ongoing labor wage negotiations for represented Authority employees.

WILLIE DOZIER, SPRING VALLEY, expressed concern regarding the rejection of the labor wage proposed for represented Authority employees.

CHESTER MORDISINI, LA JOLLA, President, Local Teamsters 911, spoke regarding the labor wage negotiations for represented Authority employees. He reported that 97% of union employees have rejected the latest offer, and urged the Board to re-evaluate its position during today's Closed Session.

CONSENT AGENDA (Items 1- 17):

Board Member Finnila requested that Item 6 be removed from the Consent Agenda for discussion.

Board Member Boland requested that Item 11 be removed from the Consent Agenda for discussion.

Board Member Desmond requested that Item 9 be removed from the Consent Agenda for discussion.

BILL FREEMAN, RAMONA, spoke in support of Item 17.

ROBERT CASIAS, EL CAJON, spoke in support of Item 17.

ACTION: Moved by Board Member Desmond and seconded by Board Member Finnila to approve the Consent Agenda as amended. Motion carried by the following vote: YES – Boland, Desmond, Finnila, Gleason, Panknin, Robinson, Smisek; NO – None; ABSENT – Cox, Young. (Weighted Vote Points: YES – 79; NO – None; ABSENT: 21)

1. APPROVAL OF MINUTES:

RECOMMENDATION: Approve the minutes of the November 4, 2010 regular meeting.

2. ACCEPTANCE OF BOARD AND COMMITTEE MEMBERS' WRITTEN REPORTS ON 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 attendance at other meetings, trainings and events not covered by the current resolution.

3. DECEMBER 2010 LEGISLATIVE REPORT:

RECOMMENDATION: Adopt Resolution No. 2010-0131, approving the December 2010 Legislative Report.

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4. AMEND AUTHORITY POLICY 8.21 - SURPLUS MATERIALS AND EQUIPMENT:

RECOMMENDATION: Adopt Resolution No. 2010-0132, amending Authority Policy 8.21 – Surplus Materials and Equipment, to authorize donation of obsolete surplus computers and related electronic equipment to non-profit charitable organizations, and to provide Authority personnel the opportunity to purchase obsolete surplus computers at fair market value.

CLAIMS

COMMITTEE RECOMMENDATIONS

5. EXTERNAL AUDITOR'S FISCAL YEAR ENDED JUNE 30, 2010, REPORTS: A) AUDITED FINANCIAL STATEMENTS, B) COMPLIANCE (SINGLE AUDIT) REPORT, C) PASSENGER FACILITY CHARGE COMPLIANCE REPORT, AND D) REPORT TO THE AUDIT COMMITTEE:
RECOMMENDATION: The Audit Committee recommends that the Board accept the reports.

6. QUARTERLY AUDIT ACTIVITIES REPORT – FISCAL YEAR 2011 FIRST QUARTER, AND REPORT ON AUDIT RECOMMENDATIONS ISSUED BY THE OFFICE OF THE CHIEF AUDITOR:
ACTION: This item was pulled from the Consent Agenda for discussion.

7. REVISION TO THE FISCAL YEAR 2011 AUDIT PLAN OF THE OFFICE OF THE CHIEF AUDITOR:
RECOMMENDATION: The Audit Committee recommends that the Board accept the revised Fiscal Year 2011 Audit Plan.

8. REVIEW OF THE COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR) FOR THE FISCAL YEAR ENDED JUNE 30, 2010:
RECOMMENDATION: The Audit Committee recommends that the Board receive the information.

CONTRACTS AND AGREEMENTS

9. AWARDED CONTRACTS, APPROVED CHANGE ORDERS FROM OCTOBER 11, 2010 THROUGH NOVEMBER 7, 2010 AND REAL PROPERTY AGREEMENTS GRANTED AND ACCEPTED FROM OCTOBER 11, 2010 THROUGH NOVEMBER 7, 2010:
ACTION: This item was pulled from the Consent Agenda for discussion.

- 10. AUTHORIZE THE PRESIDENT/CEO TO CONSENT TO THE ASSIGNMENT OF LEASE AND LICENSE AGREEMENT FROM LANDMARK AVIATION SAN DIEGO, INC. TO LANDMARK AVIATION GSO-SAN, INC.:**
RECOMMENDATION: Adopt Resolution No. 2010-0133, authorizing the President/CEO to consent to the assignment of lease and license agreement from Landmark Aviation San Diego, Inc. to Landmark Aviation GSO-SAN, LLC.
- 11. AUTHORIZE THE PRESIDENT/CEO TO EXECUTE A SECOND AMENDMENT TO THE LEASE WITH SAN DIEGO AIR AND SPACE TECH CENTER, INC.:**
ACTION: This item was pulled from the Consent Agenda for discussion.
- 12. AWARD A CONTRACT TO ACCURATE ENGINEERING ICS, INC., FOR QUIETER HOME PROGRAM PHASE 5, GROUP 9B (36 EAST SIDE, NON-HISTORIC, APARTMENT UNITS ON 2 RESIDENTIAL PROPERTIES):**
RECOMMENDATION: Adopt Resolution No. 2010-0135, awarding a contract to Accurate Engineering ICS, Inc., in the amount of \$509,050, for Phase 5, Group 9B, Project No. 380509B, of the San Diego County Regional Airport Authority's Quieter Home Program.
- 13. AUTHORIZE THE PRESIDENT/CEO TO EXECUTE A FIRST AMENDMENT TO THE CONTRACT WITH MICROSOFT LICENSING, GP:**
RECOMMENDATION: Adopt Resolution No. 2010-0136, authorizing the President/CEO to execute a first amendment to the contract with Microsoft Licensing, GP increasing the compensation amount by \$80,000 for a not to exceed amount of \$310,777.49.
- 14. AUTHORIZE THE PRESIDENT/CEO TO EXECUTE A FIRST AMENDMENT TO THE CONTRACT WITH HARRIS MILLER MILLER AND HANSON INC.:**
RECOMMENDATION: Adopt Resolution No. 2010-0137, authorizing the President/CEO to execute a First Amendment to the contract with Harris Miller Miller And Hanson Inc. regarding the Part 150 Noise Compatibility Program Update, extending the contract term by six (6) months to June 30, 2011.

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15. APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE AN AGREEMENT FOR LABOR AND EMPLOYMENT LEGAL SERVICES TO PAUL, PLEVIN, SULLIVAN & CONNAUGHTON LLP:

RECOMMENDATION: Adopt Resolution No. 2010-0140, approving and authorizing the President/CEO to execute an agreement for Labor and Employment legal services to Paul, Plevin, Sullivan & Connaughton LLP for a term of three (3) years, with two (2) additional one-year options to extend the term with a maximum amount payable not to exceed of \$300,000.

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

16. APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE A CONTRACT WITH PACIFIC RIM MECHANICAL CONTRACTORS, INC. FOR HEATING, VENTILATION AND AIR CONDITIONING MAINTENANCE AND REPAIR SERVICES:

RECOMMENDATION: Adopt Resolution No. 2010-0138, approving and authorizing the President/CEO to execute a contract with Pacific Rim Mechanical Contractors, Inc., for Heating, Ventilation, and Air Conditioning Maintenance and Repair Services, at the San Diego International Airport, for a term of three (3) years in an amount not-to-exceed \$2,931,916.

17. APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE AN AGREEMENT WITH MERRIWETHER & WILLIAMS INSURANCE SERVICES TO PROVIDE CONSULTING SERVICES FOR THE BOND AND CONTRACT FINANCING SERVICES PROGRAM:

RECOMMENDATION: Adopt Resolution No. 2010-0139, approving and authorizing the President/CEO to execute an agreement with Merriwether & Williams Insurance Services to provide Bond and Contract Finance Consulting services for a three (3) year term with two (2), one year extension options for a maximum amount payable of \$1,868,970.

ITEMS PULLED FROM THE COSENT AGENDA FOR DISCUSSION:

6. QUARTERLY AUDIT ACTIVITIES REPORT – FISCAL YEAR 2011 FIRST QUARTER, AND REPORT ON AUDIT RECOMMENDATIONS ISSUED BY THE OFFICE OF THE CHIEF AUDITOR:

Board Member Finnilla expressed concerns regarding the P-Card audit findings and stated that she would like to see no violations of the policy.

Thella F. Bowens stated that there are processes in place to deal with abuses of the P-Card. She stated that due to the size of the organization, and the nature of the P-Card program, problems will arise from time to time. She stated that anytime a procedure can be put in place to avert issues, it is implemented.

Jeffrey Woodson, Vice President, Administration, stated that staff works closely with the Audit Department to ensure issues are promptly addressed.

Mark Burchyett, Chief Auditor, stated that the problems occurring with P-Cards have been greatly reduced from previous audits. He stated that the Audit Department recommends considering additional internal control by the Procurement Department of P-Card transactions.

Board Member Smisek stated that the Audit Committee had discussed this issue as well.

In regards to the P-Card audit findings, Board Member Panknin expressed concern that approving officials are approving the purchases.

Mr. Woodson stated that additional training is provided when purchases have been authorized erroneously. He also stated that if warranted, the cards are taken away from the offender. He stated that issues arising in the program are not fraudulent or intentional in nature, and primarily due to a misunderstanding by the purchaser.

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

9. AWARDED CONTRACTS, APPROVED CHANGE ORDERS FROM OCTOBER 11, 2010 THROUGH NOVEMBER 7, 2010 AND REAL PROPERTY AGREEMENTS GRANTED AND ACCEPTED FROM OCTOBER 11, 2010 THROUGH NOVEMBER 7, 2010:

In response to Board Member Desmond regarding audit findings associated with Ricondo & Associates pertaining to the approval of a check request and how it relates to the contract that was approved for Ricondo & Associates listed in Item 9, Thella F. Bowens, President/CEO, stated that they are two separate issues. She stated that the awarded contract for Ricondo & Associates listed in Item 9 is for a different scope of work.

RECOMMENDATION: Receive the report.

ACTION: Moved by Board Member Desmond and seconded by Board Member Smisek to approve staff's recommendations for Items 6 and 9. Motion carried by the following vote: YES – Boland, Desmond, Finnila, Gleason, Panknin, Robinson, Smisek; NO – None; ABSENT – Cox, Young. (Weighted Vote Points: YES – 79; NO – None; ABSENT: 21)

11. AUTHORIZE THE PRESIDENT/CEO TO EXECUTE A SECOND AMENDMENT TO THE LEASE WITH SAN DIEGO AIR AND SPACE TECH CENTER, INC.:

Board Member Boland commended staff for extending this lease which covers the wind tunnel. He stated that this is a valuable asset.

RECOMMENDATION: Adopt Resolution No. 2010-0134, authorizing the President/CEO to execute a second amendment to the lease with San Diego Air and Space Technology Center, Inc., extending the term of the lease for ten (10) years to March 31, 2021.

ACTION: Moved by Board Member Boland and seconded by Board Member Finnila to approve staff's recommendation. Motion carried by the following vote: YES – Boland, Desmond, Finnila, Gleason, Panknin, Robinson, Smisek; NO – None; ABSENT – Cox, Young. (Weighted Vote Points: YES – 79; NO – None; ABSENT: 21)

NEW BUSINESS

20. 2011 LEGISLATIVE AGENDA:

Mike Kulis, Director, Inter-Governmental Relations, Tom McMorrow, MANATT Phelps and Phillips, and Sam Whitehorn, MCBee Strategic, provided a presentation on the 2011 Legislative agenda which included an overview of the Legislative Advocacy Program; 2010 State Highlights; State Political Landscape; 2011 State Legislative Proposals; 2010 Federal Highlights; Federal Political Landscape; and 2011 Federal Legislative Proposals.

Board Member Boland requested a copy of the bill regarding emergency flights.

RECOMMENDATION: Adopt Resolution No. 2010-0141, approving the 2011 Legislative Agenda.

ACTION: Moved by Board Member Finnila and seconded by Board Member Robinson to approve staff's recommendation. Motion carried by the following vote: YES – Boland, Desmond, Finnila, Gleason, Panknin, Robinson, Smisek; NO – None; ABSENT – Cox, Young. (Weighted Vote Points: YES – 79; NO – None; ABSENT: 21)

CLOSED SESSION: The Board recessed into Closed Session at 12:01 P.M. to discuss Items 21, 24 and 28.

- 21. CONFERENCE WITH LEGAL COUNSEL: ANTICIPATED LITIGATION:**
Initiation of litigation pursuant to subdivision (c) of Section 54956.9: (1 case)
- 22. CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION:**
(Government Code Section 54956.9 (a)):
San Diego Unified Port District v. TDY Industries, Inc., et al., and related cross-actions. U.S. District Court, Southern District Case No. 03 CV 1146-B (POR).
- 23. CONFERENCE WITH REAL PROPERTY NEGOTIATORS:**
Real property negotiations pursuant to Cal. Gov. Code Sections 54954.5(b) and section 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.
- 24. CONFERENCE WITH LEGAL COUNSEL-EXISTING LITIGATION:**
Pursuant to Government Code Section 54956.9(a):
Save Our Heritage Organization v. San Diego Unified Port District, et al.,
San Diego Superior Court Case No. 37-2009-00097828-CU-TT-CTL
- 25. CONFERENCE WITH LEGAL COUNSEL--EXISTING LITIGATION:**
(Cal. Gov. Code Section 54956.9(a)):
San Diego Unified Port District v. Argonaut Insurance Company, et al,
L.A.S.C. GIC 874394
- 26. CONFERENCE WITH REAL PROPERTY NEGOTIATORS:**
Real Property Negotiations pursuant to Cal Gov. Code §§ 54954.5(b) and 54956.8
Property: 3.76 acre easement across MCRD and San Diego Unified Port District property located on the Washington Street extension south of Pacific Highway, in the City of San Diego, CA.
Agency negotiators: Vernon Evans, Vice President, Finance/Treasurer and Troy Ann Leech, Director, Real Estate Management.
Under Negotiation: Consideration of MCRD's request for exclusive use of portion of the easement; possible realignment of access and rights; acquisition of easement or right of way from the San Diego Unified Port District.

- 27. CONFERENCE WITH LEGAL COUNSEL--EXISTING LITIGATION:**
(Cal. Gov. Code Section 54956.9(a)):
City of San Diego, Historical Resources Board: In re: Western Salt Company Salt Works, Report No. HRB-08-005
- 28. 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

REPORT ON CLOSED SESSION: The Board reconvened into open session at 12:45 P.M. Chair Gleason reported that there was no reportable action.

PRESENTATIONS (Continued):

- C. AIRPORT CONCESSIONS DISADVANTAGED BUSINESS ENTERPRISE (ACDBE) (EDUCATIONAL ITEM):**
Bob Silvas, Director, Small Business Development, provided an overview presentation on Airport Concessions Disadvantaged Business Enterprise (ACDBE) which included Disadvantaged Business Enterprise (DBE) and ACDBE Definition; ACDBE Program at SAN; ACDBE Certification; ACDBE Goals; and ACDBE Achievements.

NEW BUSINESS (Continued):

- 19. AUTHORIZE A FRAMEWORK FOR THE DEVELOPMENT OF A POLICY ON THE BUSINESS PROCUREMENT PREFERENCE PROGRAM AT SAN DIEGO INTERNATIONAL AIRPORT:**
Bob Silvas, Director, Small Business Development, provided a presentation on development of a policy on the Business Procurement Preference Program which included information on Policy 5.12 – Preference to Small Business; Policy 5.13 – Local Business Opportunity; Veteran, Service Disabled Veteran Owned Small Business (SDVOSB)/Disabled Veteran Business Enterprise (DVBE); Green Business; Historically Underutilized Businesses (HUB), Minority/Women Business Enterprises (M/WBE); Consideration 1: Targeted Preferences; Consideration 2: Preferences w/CAP; Consideration 3; Combination Packages; and Consideration 4: Alternative Preference System.

Board Member Finnila suggested that “business certificate” be clearly defined. She expressed concern with the good faith effort required under Consideration 4.

Thella F. Bowens, President/CEO, stated that historically, there has been a lot of abuse of the good faith effort that is required under Federal regulations. She agreed with Mr. Silvas that if the Board is to use this requirement, more specificity is needed as to what a good faith effort is.

Board Member Panknin suggested requiring Veterans register with the VetBiz database because it is a pretty stringent process, and allow them to participate that way and help them with the paperwork.

Board Member Desmond spoke in support of a local preference, and a cap on points awarded, and stated that a worker retention program would fit well within the Preference Program. He also suggested that the local business definition be strengthened to require more than only one County resident be employed.

Breton K. Lobner, General Counsel, stated it should be noted that it is illegal to have a local preference in a concession, and stated that it is important to be cognizant of the various factors and legalities that apply both from a state and federal level regarding providing preferential treatment to one group or another. He stated that contractual preferences may be stipulated that favor locals or inhabitants of the City of San Diego, as long as the Board can provide good reasons for such preference.

Board Member Panknin suggested that the policy allow non-small businesses to get a small business preference for having 25% subcontracted with small businesses, and the same for Veteran-owned businesses, where a non-Veteran-owned business has at least three percent subcontracted to a Veteran-owned business. He also recommended adding language to allow the Authority to reject proposals that do not meet the worker retention goals and standards.

Board Member Smisek spoke in support of Consideration 4.

Board Member Finnila spoke in support of Consideration 4, and suggested that the requirement of a 'good faith effort' be defined; to accept the VetBiz certification process; and would prefer a combination of only three preferences.

Chair Gleason suggested the use of a range of points. He stated that he would like to see clearer language in regards to the definition of a good faith effort. He stated that he would like to focus on underutilized businesses in the future.

RECOMMENDATION: Provide direction to staff to develop framework for the Business Procurement Preference Program involving joint usage of goals and preferences that will aid in the future adoption of policy of 5.14.

ACTION: No Action taken.

PRESENTATIONS (Continued):

- D. UPDATE ON THE REGIONAL AVIATION STRATEGIC PLAN (RASP):**
Ted Anasis, Manager, Airport Planning, Eric Bernhardt, Project Manager, Jacobs Consultancy, and Brenda Deeley, Senior Vice President, Porter Novelli, provided a presentation on the Regional Aviation Strategic Plan (RASP) which included RASP Study Area; Complicated Factors Constrain Implementation of Alternatives; Alternate Scenarios; Summary of Findings – Alternative Scenario Families 1 and 4; Summary of Findings (Updated to Include 1E); Summary of Current Model Findings; Detailed Schedule and Work Plan – Project is On Schedule; RASP Public Outreach: Completed; and RASP Public Outreach: Upcoming/Planned.
- B. UPDATE ON THE PUBLIC ART PROGRAM:**
Constance White, Art Program Manager, provided a presentation on the Public Art Program which included The Green Build Site and Opportunity Plan; Site and Opportunity Plan Contract Deliverables; Contract 1, Phase 1 Opportunities; Implementation Phase I: Contract 1- Design Development; Contract 1 - Phase II Opportunities; Implementation Phase II: Contract 1- Concept Design; Contract 2 – Phase II Opportunities; Contract 2 – Schematic Design; Implementation Phase III: Contract 1 New Opportunities; and New Opportunities Artist Selection.

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

STANDING BOARD COMMITTEES

- **AUDIT COMMITTEE:**
Board Member Smisek reported that the Committee met on November 15, 2010. He stated that several items were forwarded to the Board, and are on today's agenda for approval.

- **EXECUTIVE PERSONNEL AND COMPENSATION COMMITTEE:**
Board Member Desmond reported that the Committee met on November 18, 2010 and that only two items were discussed. He reported that these were Item 28, listed under today's Closed Session, and the issue of compensation to Board Members for travel days. He stated that this item was referred to the Office of the Attorney General for clarification on the definition of "Day of Service".
- **FINANCE COMMITTEE:** None
- **TERMINAL DEVELOPMENT PROGRAM COMMITTEE:**
Board Member Boland reported that all the work on Taxiway Charlie has been completed. He also reported that the final piles for the terminal building have been driven, without much interruption. He stated that tunnel construction for the Baggage Handling System and utilities has begun. He reported that the demolition of the pedestrian bridge at Terminal 2 West has been completed; and that the contractor has begun utility relocation from the utility plant to the terminal buildings.
- **REGIONAL AVIATION STRATEGIC PLAN COMMITTEE:**
Board Member Finnila reported that a Special meeting is being scheduled for January 11, 2011 following the Terminal Development Committee Meeting.

ADVISORY COMMITTEES

- **AUTHORITY ADVISORY COMMITTEE:** None
- **PUBLIC ART ADVISORY COMMITTEE:** None

LIAISONS

- **CALTRANS:** None
- **INTER-GOVERNMENTAL AFFAIRS:** None
- **MILITARY AFFAIRS:**
Board Member Boland reported that staff continues to work with MCRD regarding the Washington Street entrance.
- **PORT:** None

- **AIRPORT LAND USE COMPATIBILITY PLAN FOR SAN DIEGO INTERNATIONAL AIRPORT:**
Board Member Robinson reported that meetings have been held with elected representatives that represent areas around the airport to update the officials on the status of the ALUCP's for SDIA.

BOARD REPRESENTATIVES (EXTERNAL)

- **SANDAG TRANSPORTATION COMMITTEE:**
Board Member Panknin reported that he attended the last meeting, and there was discussion regarding construction plans through 2050.
- **WORLD TRADE CENTER:**
Board Member Panknin reported that there will be a breakfast on December 9, 2010 at the University Club, and that all Board Members are invited.

CHAIR'S REPORT:

Chair Gleason reported that the February Board meeting will be rescheduled to accommodate Board member terms of office.

PRESIDENT/CEO'S REPORT: None

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 meeting was adjourned at 2:42 P.M.

APPROVED BY A MOTION OF THE SAN DIEGO COUNTY REGIONAL
AIRPORT AUTHORITY BOARD THIS 6TH DAY OF JANUARY, 2011.

TONY R. RUSSELL
DIRECTOR, CORPORATE SERVICES/
AUTHORITY CLERK

APPROVED AS TO FORM:

BRETON K. LOBNER
GENERAL COUNSEL

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