

**DRAFT
SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY BOARD
MINUTES
THURSDAY, NOVEMBER 4, 2010
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, November 4, 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 Desmond led the pledge of allegiance.

ROLL CALL:

PRESENT: Board Members: Berman (Ex-Officio), Boland, Cox, Desmond, Finnila, Gleason, Panknin, Col. Richie (Ex-Officio), Robinson, Smisek, Young

ABSENT: Board Members: None

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

Board Member Young arrived during the course of the meeting.

REPORT FROM CITIZEN COMMITTEE:

- **AUTHORITY ADVISORY COMMITTEE:**
Rick Beach, Authority Advisory Committee, provided an overview of the most recent Authority Advisory Committee Meeting. He stated that this was the first meeting that was governed under the new amended policy recently adopted by the Board. He stated that two presentations were received, one regarding the Regional Aviation Strategic Plan, and one regarding the northside developments. He stated that an ad hoc committee was formed regarding the northside issues. He further stated that a request was made for an update on the Airport Land Use Compatibility Plan (ALUCP) for San Diego International Airport.

Chair Gleason suggested that the Consent Item regarding the Advisory Committee be voted on at this time.

- 4. APPOINTMENT OF AUTHORITY ADVISORY COMMITTEE MEMBERS:**
RECOMMENDATION: Adopt Resolution No. 2010-0115, making appointments to the Authority Advisory Committee.

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

PRESENTATION:

- A. PRESENTATION TO AUTHORITY CLERK, TONY R. RUSSELL, FOR PROFESSIONAL EXCELLENCE EXHIBITED BY ACHIEVING MASTER MUNICIPAL CLERK CERTIFICATION:**
Jamie Anderson, Town Clerk, Yucca Valley and Second Vice President, City Clerks Association of California, presented the certificate to Tony R. Russell, Authority Clerk, for achieving Master Municipal Clerk Certification.

OLD BUSINESS:

- 18. BOARD POLICY DISCUSSION REGARDING POLICIES RELATING TO CONTRACTOR WORKER RETENTION (This item was discussed at the September 2, 2010 Board Meeting):**

Jeffrey Woodson, Vice President, Administration, provided an overview of Contractor Worker Retention.

CHRISTINE KEHOE, CALIFORNIA STATE SENATOR, urged the Board to adopt a worker retention policy to protect the jobs of employees that work at the airport and to retain a more experienced workforce.

RABBI LAURIE COSKEY, SAN DIEGO, urged the Board to craft a worker retention policy.

WINNIE FIELDS, SAN DIEGO, urged the Board to pass worker retention policy that protects the current workers at SDIA.

BRIGETTE BROWNING, SAN DIEGO, urged the Board to work with stakeholders and create a mandatory worker retention policy.

GERARDO CACATIAN, SAN DIEGO, representing Lindbergh Parking, urged the Board to adopt a worker retention policy.

LUCILLE SIMMONS, SAN DIEGO, spoke in support of a worker retention policy.

SUE VAN NATTA, SAN DIEGO, urged the Board to adopt a worker retention policy.

REV. WAYNE RIGGS, SAN DIEGO, urged the Board to adopt a worker retention policy.

BLAKE HARWELL, NEW YORK CITY, Unite Here, urged the Board to adopt a mandatory worker retention policy.

LORENA GONZALEZ, SAN DIEGO, urged the Board to adopt a mandatory worker retention policy.

DICK DICKSON, ATLANTA, spoke regarding his company's worker retention policy and urged the Board to adopt a worker retention policy. He provided a letter to the Board.

In response to Board Member Desmond regarding the definition of an at-will employee, Breton Lobner, General Counsel, stated that at an at-will employee has no expectation of a continued right of employment.

In response to Board Member Cox regarding the definition of a harmony clause, Blake Harwell, Unite Here, stated that it requires that there will not be a disruption of service during a transition.

Board Member Berman arrived at 10:13 a.m.

In response to Board Member Boland regarding additional audit staff that may be needed, Thella F. Bowens, President/CEO, stated that staffing needs will be determined by the system. She further stated that staff is constantly evaluating where reductions can be made or where additional staff is needed.

Board Member Boland stated that all contracts can be written in a way that considers employees. He stated that there is no need for a binding policy.

The Board recessed at 10:25 a.m. and reconvened at 10:32 a.m.

CONSENT AGENDA (Items 1-17):

Chair Gleason noted that Item 4 had already been approved. He also noted that Item 17 was removed from the agenda.

Board Member Desmond requested that Item 6 be removed from the Consent Agenda and referred to the next Executive Personnel & Compensation Committee Meeting.

Chair Gleason registered his NO vote on Item 15.

ACTION: Moved by Board Member Finnila and seconded by Board Member Smisek to approve the Consent Agenda as amended. Motion carried by the following vote: YES – Boland, Cox, Desmond, Finnila, Gleason, Panknin, Robinson, Smisek; NO – None; ABSENT – Young. (Weighted Vote Points: YES – 87; NO – 0; ABSENT – 13)

1. **APPROVAL OF MINUTES:**
RECOMMENDATION: Approve the minutes of the September 2, 2010 regular meeting, the September 17 and 18, 2010 Special Board meetings, and the October 7, 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. **NOVEMBER 2010 LEGISLATIVE REPORT:**
RECOMMENDATION: Adopt Resolution No. 2010-0114, approving the November 2010 Legislative report.
4. **APPOINTMENT OF AUTHORITY ADVISORY COMMITTEE MEMBERS:**
ACTION: This item was pulled from the Consent Agenda and voted on separately.
5. **APPOINTMENT OF BOARD MEMBER LIAISONS:**
RECOMMENDATION: Adopt Resolution No. 2010-0117, appointing Board liaisons.
6. **RESOLUTION ADJUSTING COMPENSATION RATE FOR DAYS OF SERVICE AND REVISING THE PRE-APPROVED LIST OF MEETINGS (Requires a Two Thirds Vote of the Board):**
ACTION: This item was referred to the next Executive Personnel & Compensation Committee Meeting.
7. **DISPOSITION OF SURPLUS PROPERTY:**
RECOMMENDATION: Adopt Resolution No. 2010-0130, authorizing the disposition of surplus property (materials and or equipment) to the highest bidders and to dispose of unwanted items as scrap.

CLAIMS

COMMITTEE RECOMMENDATIONS

- 8. RECEIVE THE UNAUDITED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2010:**
RECOMMENDATION: The Finance Committee recommends that the Board receive the report.
- 9. RECEIVE THE AUTHORITY'S INVESTMENT REPORT AS OF SEPTEMBER 30, 2010:**
RECOMMENDATION: The Finance Committee recommends that the Board receive the report.
- 10. ACCEPTANCE OF THE PROPOSED 2011 MASTER CALENDAR OF BOARD AND COMMITTEE MEETINGS:**
RECOMMENDATION: Accept the calendar.

CONTRACTS AND AGREEMENTS

- 11. AWARDED CONTRACTS, APPROVED CHANGE ORDERS FROM SEPTEMBER 13, 2010 THROUGH OCTOBER 10, 2010 AND REAL PROPERTY AGREEMENTS GRANTED AND ACCEPTED FROM SEPTEMBER 13, 2010 THROUGH OCTOBER 10, 2010:**
RECOMMENDATION: Receive the report.
- 12. AUTHORIZE THE PRESIDENT/CEO TO EXECUTE AMENDMENTS TO EXTEND BY ONE YEAR THE TERM OF THE AGREEMENTS WITH KLEINFELDER WEST, INC., MATEC ENGINEERING AND CONSULTING, INC., AND NINYO & MOORE GEOTECHNICAL & ENVIRONMENTAL SCIENCES CONSULTANTS:**
RECOMMENDATION: Adopt Resolution No. 2010-0119, authorizing the President/CEO to execute First Amendment to the Agreements with Kleinfelder West, Inc., MACTEC Engineering and Consulting, Inc., and Ninyo & Moore Geotechnical & Environmental Sciences Consultants, extending the term of each of those agreements by one year to provide on-call professional material testing, special inspection, and geotechnical services for various airport capital improvement projects.
- 13. CONSENT TO THE ASSIGNMENT OF AGREEMENT WITH ARTIST JIM CAMPBELL TO WHITE LIGHT, INC.:**
RECOMMENDATION: Adopt Resolution No. 2010-0120, consenting to the Assignment of the Agreement for Public Art Work with Jim Campbell to White Light Inc.

14. APPROVE A THIRTEENTH AMENDMENT TO THE AGREEMENT WITH ALSTON & BIRD LLP AND AUTHORIZE THE PRESIDENT/CEO TO SIGN THE THIRTEENTH AMENDMENT TO THE AGREEMENT:

RECOMMENDATION: Adopt Resolution No. 2010-0121, approving a Thirteenth Amendment to the Agreement for Professional Legal Services between the Authority and Alston & Bird LLP and authorizing the President/CEO to execute the Thirteenth Amendment to the Agreement, extending the term of the Agreement by one year to expire no later than November 21, 2011.

15. AUTHORIZE THE AWARD OF AN AGREEMENT TO CULBERTSON & ASSOCIATES FOR PROFESSIONAL CONSULTING SERVICES RELATED TO THE CALIFORNIA COASTAL ACT AND THE CALIFORNIA COASTAL COMMISSION:

RECOMMENDATION: Adopt Resolution No. 2010-0122, authorizing the award of an Agreement to Culbertson & Associates for professional consulting services related to the California Coastal Act and the California Coastal Commission for a term of (3) years with a maximum amount payable of \$100,000.

16. CONSENT TO THE ASSIGNMENT OF THE IN-TERMINAL ADVERTISING AGREEMENT BETWEEN THE AIRPORT AUTHORITY AND THE JOINT VENTURE FOR THE OPERATION OF THE ADVERTISING CONCESSION AT SAN DIEGO INTERNATIONAL AIRPORT, LLC TO JCDECAUX AIRPORT, INC. AND THE SUBCONTRACT BETWEEN JCDECAUX AIRPORT, INC. AND THE ELIZABETH YOUNGER AGENCY, LTD, AND AUTHORIZING THE PRESIDENT/CEO TO EXECUTE A SECOND AMENDMENT TO THE IN-TERMINAL ADVERTISING CONCESSION AGREEMENT:

RECOMMENDATION: Adopt Resolution No. 2010-0128, consenting to the assignment of the In-Terminal Advertising Agreement between the Authority and the Joint Venture for the Operation of the Advertising Concession at San Diego International Airport, LLC to JCDecaux Airport, Inc. and to the subcontract between JCDecaux Airport, Inc. and the Elizabeth Younger Agency, Ltd.; and authorizing the President/CEO to execute a Second Amendment to the In-Terminal Advertising Concession Agreement.

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

17. **AUTHORIZE THE PRESIDENT/CEO TO EXECUTE THE UPDATED PROGRAMMATIC AGREEMENT BETWEEN THE AUTHORITY AND VARIOUS AGENCIES REGARDING IMPLEMENTATION OF HISTORIC TREATMENT GUIDELINES FOR THE QUIETER HOME PROGRAM:**
ACTION: This item was removed from the agenda.

The Board recessed at 10:35 a.m. and reconvened at 11:30 a.m.

PRESENTATION:

B. AUTHORITY'S FINANCIAL UPDATE:

Vernon Evans, Vice President, Finance/Treasurer, provided a presentation on the Authority's Financial Update, which included Enplanements; Gross Landing Weight Units; Airport Parking Transactions; Airport Parking; Car Rental License Fees; Monthly Operating Revenue, FY 2011; Operating Revenues for the Three Months Ended September 30, 2010; Monthly Operating Expenses, FY 2011; Operating Expenses for the Three Months Ended September 30, 2010; Balance Sheets; Total Portfolio Summary; and Summary of Outstanding Commercial Paper.

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

STANDING BOARD COMMITTEES

- **AUDIT COMMITTEE:**
Board Member Smisek reported that the Committee has a meeting on November 15, 2010.
- **EXECUTIVE PERSONNEL AND COMPENSATION COMMITTEE:**
Board Member Desmond reported that the Committee has a meeting on November 18, 2010.
- **FINANCE COMMITTEE:** None
- **TERMINAL DEVELOPMENT PROGRAM COMMITTEE:**
Board Member Boland reported that at its last meeting, the Committee reviewed the final task and work authorizations for the Terminal Development Program and forwarded them to the Board for approval.

- **REGIONAL AVIATION STRATEGIC PLAN COMMITTEE:**
Board Member Finnila reported that two new families of scenarios have been introduced, and the results of the analysis on those scenarios will be presented at the November 18, 2010 Committee Meeting. She further stated that staff recently presented on the RASP to the Chamber of Commerce.

ADVISORY COMMITTEES

- **AUTHORITY ADVISORY COMMITTEE:** None
- **PUBLIC ART ADVISORY COMMITTEE:**
Chair Gleason reported that all artists recently made presentations to the Committee, and that the art projects for the Green Build will be presented to the Board at its next meeting.

LIAISONS

- **CALTRANS:** None
- **MILITARY AFFAIRS:**
Board Member Boland reported that talks continue with Marine Corps Recruit Depot and the City of San Diego regarding the Washington Street Gate.
- **PORT:**
Chair Gleason reported that open issues continue to be worked on. Thella F. Bowens, President/CEO, stated that a written report will be provided to the Board on the progress.

BOARD REPRESENTATIVES (EXTERNAL)

- **SANDAG TRANSPORTATION COMMITTEE:**
Board Member Smisek reported that a joint meeting was held with the Regional Planning Committee to look at constrained transportation network scenarios. He noted that the Intermodal Transit Center was included in the scenarios presented.
- **WORLD TRADE CENTER:**
Board Member Panknin reported that during the recent open elections for officers, Bella Heule was re-elected. He also reported that they had a very successful assembly and that the annual Business Meeting will be held at the University Club. He invited the Board and staff to attend.

CHAIR'S REPORT:

Chair Gleason reported that the registration deadline is approaching for the American Association of Airport Executives (AAAE) Aviation Issues Conference in January 2011, and requested that the Board notify him if they would like to attend. He further reported that Thella F. Bowens, President/CEO, has been elected as the First Vice Chair for the Airports Council International/North America.

PRESIDENT/CEO'S REPORT:

Thella F. Bowens, President/CEO, reported that the Authority has received authorization from the Federal Aviation Administration in regards to a lease with the City of Imperial Beach for Authority-owned land in that area. She reported that the Green Build was nominated for an Orchid at the Orchids & Onions awards. She also reported that staff is working closely with British Airways to prepare for their market entry on June 1, 2011, and working out the various issues.

NEW BUSINESS:

19. AUTHORIZE THE PRESIDENT/CEO TO EXECUTE WORK AND TASK AUTHORIZATIONS FOR CONSTRUCTION AND DESIGN PHASE SERVICES FOR THE TERMINAL DEVELOPMENT PROGRAM/THE GREEN BUILD:

Bryan Enarson, Vice President, Development, provided an overview of the Work and Task Authorizations being requested for the Terminal Development Program/The Green Build.

RECOMMENDATION:

The Terminal Development Program Committee recommends that the Board:

Adopt Resolution No. 2010-0125, releasing funds and authorizing the President/CEO to execute additional Work Authorizations in an amount not-to-exceed seventy-nine million, fifteen thousand, thirty-eight dollars (\$79,015,038) for a Board authorized total of four hundred thirty-one million, four hundred sixty-five thousand, thirty-eight dollars (\$431,465,038) under Contract 1 (Terminal 2 West Building and Airside Expansion at San Diego International Airport); and

Adopt Resolution No. 2010-0126, releasing funds and authorizing the President/CEO to execute additional Work Authorizations in an amount not-to-exceed one hundred thirty-five million, twenty thousand, five hundred eighty-seven dollars (\$135,020,587) for a Board authorized total of two hundred fifty-one million, five hundred twenty thousand, five hundred eighty-seven dollars (\$251,520,587) under Contract 2 (Terminal 2 Elevated Departure Curb/Transit Plaza and Landside Modifications at San Diego International Airport); and

Adopt Resolution No. 2010-0127, releasing funds and authorizing the President/CEO to execute additional Task Authorizations in an amount not-to-exceed one hundred twelve million, two hundred twenty-seven thousand, three hundred and three dollars (\$112,227,303) for a Board authorized total of one hundred eighty-one million, six hundred twenty-seven thousand, forty-three dollars (\$181,627,043) for Program Management and Related Services/Projects and Contingencies associated with the execution of the work related to this Board Action.

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, Cox, Desmond, Finnila, Gleason, Panknin, Robinson, Smisek; NO – None; ABSENT – Young. (Weighted Vote Points: YES – 87; NO – 0; ABSENT – 13)

20. APPROVE THE SIXTH AMENDMENT TO THE AGREEMENT WITH AECOM USA, INC. AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE THE AMENDMENT:

Bryan Enarson, Vice President, Development, provided a presentation on the Sixth Amendment to the Agreement with Aecom USA, Inc., which included History, Why Program Management?, Program Management Goal, Manpower Planning, and Staff Augmentation.

In response to Board Member Desmond regarding why this contract did not go out to bid, Mr. Enarson stated that this is abnormal and that this company has been with the Authority since the inception of the program. He further stated that we are in the middle of a development program that is over \$800,000,000 which overshadows the need to re-compete the work. He also stated that consistency of staff working on the program is vital.

In response to Board Member Desmond in regards to saving money by going out to bid, Mr. Enarson stated that staff did not want to delay the program by making a change at this point. He noted that the remainder of the capital program is being bid out so there will be other opportunities for other program management firms.

Board Member Desmond expressed concern with the amount of the amendment and that it is not going to re-bid.

Thella F. Bowens, President/CEO, noted that all dollar amounts are “not to exceed” and are not guaranteed payments.

Chair Gleason stated that he will support the recommendation based on the fact that staff will go out to bid for the management of the balance of the projects.

RECOMMENDATION: The Terminal Development Program Committee recommends that the Board adopt Resolution No. 2010-0129, approving the sixth amendment to the agreement with AECOM USA, Inc. (formerly known as DMJM Aviation) and authorizing the President/CEO to execute the amendment to provide Program Management/Construction Management services in support of the San Diego County Regional Airport Authority's Capital Improvement Program, Major Maintenance Program, Quieter Home Program, and Terminal Development Program, increasing the current agreement amount of \$81,700,000 by \$45,000,000 for a new total agreement amount not-to-exceed \$126,700,000 and extending the term of the agreement from December 31, 2010 to December 31, 2013.

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

CLOSED SESSION: The Board recessed into Closed Session at 12:16 p.m. to discuss Items 22, 26 and 30.

- 22. CONFERENCE WITH LEGAL COUNSEL: ANTICIPATED LITIGATION:**
Initiation of litigation pursuant to subdivision (c) of Section 54956.9: (1 case)
- 23. 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).
- 24. CONFERENCE WITH REAL PROPERTY NEGOTIATORS:**
Real Property Negotiations pursuant to Cal. Gov. Code sections 54954.5(b) and section 54956.8.
Property: 1.15 acre parcel located at the northern terminus of 13th Street in Imperial Beach
Agency Negotiators: Vernon D. Evans, Vice President, Finance/Treasurer
Under Negotiation: Sale – Terms of Payment and Conditions.

- 25. 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.
- 26. 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
- 27. 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
- 28. 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.
- 29. 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
- 30. 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

The Board reconvened into open session at 1:36 p.m.

Board Member Young arrived to the dais at 1:35 p.m.

BOARD WORKSHOP:

21. CONCESSIONS DEVELOPMENT PROGRAM UPDATE (This item will be heard at approximately 1:30 p.m.):

Kent Vanden Oever, Associate Director, AirProjects, Inc., provided a presentation on Concession Management Overview, which included Discussion of Concession Management Approaches; Food Service; Specialty Retail; Convenience Retail; Passenger Services; Direct Leasing; Master Concessionaire; Multiple Prime Operators; Fee Manager; Private Developer; and Hybrid; Preferred Management Approach; Implementation Needs; and Hybrid Approach: Packaging.

Board Member Cox disclosed *ex-parte* communications with Rick Blatstein and Karen Mirantes and Maddy Kilkenny at OTG Management and Stephanie Saathoff of the Clay Company; Neil Johnson and Richard Ledford at Procurement Concepts; Kimberly Hale, representing HDS Retail; and Herman Collins, Silvia Peralta, Bruce Furrier and Dick Dickson of Paradies Shops.

Board Member Boland disclosed *ex-parte* communications with Mr. and Mrs. Johnson, and representatives from OTG Management.

Board Member Finnila disclosed *ex-parte* communications with representatives from OTG Management, as well as HDS Retail and Hudson.

Chair Gleason disclosed *ex-parte* communications with Gil Johnson of Procurement Concepts; Rick Blatstein and Karen Mirante of OTG Management, Stephanie Saathoff and Maddie Kilkenny of the Clay Company; Dominic Lowe and Ellery Plowman of Westfield, Chris Wahl of Southwest Strategies; Mike Mullaney and Laura Alphan of the Hudson Group; Jeff Sailer of HDS Retail and Phillip Pierce of Pierce, Monroe & Associates, and Kimberly Hale of Public Policy Strategies.

Board Member Smisek disclosed *ex-parte* communications with OTG Management.

Board Member Panknin disclosed *ex-parte* communications with Paradies Shops.

Board Member Robinson disclosed *ex-parte* communications with Rick Blatstein of OTG, Maddy Morris and Stephanie Saathoff of the Clay Company; Richard Ledford of Ledford Enterprises and Gil Johnson of Procurement Concepts; Gerry Savaria of HDS Retail and Kimberly Hale of Public Policy Strategies; Lorena Gonzalez of UnionYes and Graham Forbes of Local 30; Laura Alphan and Mike Mullaney of the Hudson Group, Chris Frahm of Brownstein, Hyatt, Farber and Schreck; Silvia Peralta, Bruce Feuer and Dick Dickson of The Paradies Shops, Herman Collins of the Collins Group; and Ellery Plowman of Westfield Concession Management, and Christopher Wahl of Southwest Strategies.

Bhavesh Patel, Manager, Concession Development Program, provided a presentation on the Concession Development Program (CDP) Update, which included Goals; Objectives; Design Strategy; Business Strategy; Passenger Demographics; CDP Efforts and Program Status; Request for Proposal Overview; and Program Schedule.

In response to Chair Gleason regarding preference issues and package sizing, Thella F. Bowens, President/CEO, stated that all preferences indicated by the Board will be included in the Request for Proposal (RFP), and the Board will be notified of the package structure and the evaluation criteria that will be used.

Chair Gleason stated that staff will be coming back to the Board with an update before the RFP is released.

In response to Board Member Cox regarding preferences being exclusive to bidders, Breton Lobner, General Counsel, stated that all proposers are required to sign an affidavit of non-collusion to indicate they are not submitting more than one proposal on the same package.

In response to Board Member Panknin regarding direct leases for local businesses, Ms. Bowens stated that staff is working to create package sizes that would be attractive to local and small vendors, but all packages would be open to all types of businesses.

Chair Gleason noted that the discussions indicate that the evaluation criteria will reflect the desire for local "flavor" and responses from local businesses might be better able to provide that and therefore rate more favorably.

In response to Board Member Panknin in regards to if worker retention could be included as an evaluation criteria, Mr. Lobner stated that it would have to either be added to an Authority Code, a policy would have to be adopted by the Board, or it could be included in the Request for Proposal.

DIANE CHUH, CHULA VISTA, provided an overview of her current concession at the airport, and urged the Board to create opportunities for small businesses.

ROHIT MARWAHA, SAN DIEGO, Subway Restaurants, spoke in support of sophisticated concession operators.

NICK SCHAEFER, DENVER, COLORADO, stated that there are levels where prime concessionaires can participate and capital maximization is critical.

ELLERY PLOWMAN, WASHINGTON, Westfield Concession, urged the Board to consider the developer approach.

CARLA WYTMAR, SAN FRANCISCO, Vino Volo, urged the Board to adopt a hybrid model.

RICK BLATSTEIN, NEW YORK, spoke in support of the hybrid model.

RODERICK MCOWAN, WILTON, CT, Pacific Gateway Concessions, spoke in support of the hybrid model.

In response to Board Member Robinson in regards to why the developer and fee manager options were eliminated, Mr. Vanden Oever stated that the developer approach was eliminated because the capital development was not needed, and the fee manager program was eliminated because of costs.

In response to Board Member Robinson regarding eliminating options, Ms. Bowens stated that some options were eliminated at Board direction and that the Board directed staff to pursue the hybrid model.

In response to Board Member Young in regards to why the developer model is not the best for the Authority, Mr. Vanden Oever stated that under the developer model, the developer is allowed a significant percentage of the rent revenue. He stated that the developer model utilizes a fee manager who would bring expertise to the table, and the Authority already has capable staff and dedicated staff time for management.

Ms. Bowens noted that staff has done a complete analysis, as well as a reorganization, of Real Estate Management staff to prepare for the hybrid model. She further stated that storage facilities have been developed and the capital investment required to redevelop the spaces for the hybrid model have been dedicated.

Chair Gleason noted that this issue will be revisited in January 2011 and package sizes will be finalized at that time. He further noted that a discussion regarding preferences will be on the December 2010 Board agenda.

The Board recessed at 3:18 p.m. and reconvened at 3:29 p.m.

OLD BUSINESS: (Continued)

18. BOARD POLICY DISCUSSION REGARDING POLICIES RELATING TO CONTRACTOR WORKER RETENTION (This item was discussed at the September 2, 2010 Board Meeting): (Continued)

Board Member Cox disclosed *ex-parte* communications with Lorena Gonzalez and Graham Forbes with Unite Here, and Winnie Fields.

Board Member Finnila disclosed *ex-parte* communications with Lorena Gonzalez.

Board Member Panknin disclosed *ex-parte* communications with Lorena Gonzalez.

Board Member Desmond disclosed *ex-parte* communications with Lorena Gonzalez and Graham Forbes, and Mike Donatelli, representing the Delta Pilots Union.

Board Member Robinson disclosed *ex-parte* communications with Lorena Gonzalez and Graham Forbes.

Board Member Young disclosed *ex-parte* communications with Lorena Gonzalez.

Chair Gleason disclosed *ex-parte* communications with Lorena Gonzalez, Graham Forbes, Blake Harwell, Ms. Browning and Rabbi Coskey.

Board Member Panknin stated that setting a policy could hurt workers in the long run. He suggested that worker retention be attained through the contracting and bid process. He suggested that worker retention needs to be up front in the RFP language, not a separate policy.

Board Member Desmond stated that there is not enough information for him to determine whether to adopt a policy regarding this issue.

Chair Gleason stated that the Board voted at the July Board Meeting to draft a policy on worker retention. He noted that the draft policy presented at the September Board meeting was not satisfactory and more discussion was needed. He stated that today staff would like direction to draft a policy that will be brought back to the Board.

Board Member Young spoke in support of a policy that will give staff clear direction on how to proceed with the Request for Proposal (RFP).

Board Member Cox spoke in support of drafting a policy that keeps things fair.

Chair Gleason noted that having a policy has to do with certainty for the employees and the Board, as well as for the airport to have continuity of service in the terminals. He stated that he is not in favor of a guaranteed employment policy.

Board Member Finnilla stated that a policy is not needed when the airport has already been doing a good job. She stated that the requirements can be included in the contract.

Board Member Boland spoke in opposition to setting a policy, and stated that worker retention can be handled through the language in the RFP.

Board Member Smisek noted that the Board needs to determine what type of worker retention would be optimal before a policy can be developed.

Board Member Robinson stated that the policy should be contained within the RFPs for the concessions.

Board Member Desmond suggested that the policy be specific to each contract instead of putting together an overall policy.

Board Member Cox stated that within the RFP, there needs to be a clear statement up front of expectations that shows commitment to give a fair chance to existing employees.

Board Member Boland stated that worker retention needs to be handled on an RFP basis. He expressed concern regarding job security for existing employees and spoke in opposition to a mandatory policy.

Board Member Young moved to direct staff to work with affected employees and their representatives to draft language requiring mandatory worker retention to be included in future concessions and parking RFP's for the Board's consideration. He stated that this is a focused and effective way to ensure a smooth transition, protects worker's jobs and provide a level playing field for all contractors. Board Member Cox seconded the motion.

Board Member Panknin stated that he supported worker retention but not making it mandatory in the RFP.

RECOMMENDATION: Provide direction to staff on a policy related to contractor worker retention.

MOTION #1

ACTION: Moved by Board Member Young and seconded by Board Member Cox to direct staff to work with affected employees and representatives to draft language requiring mandatory worker retention for the parking and shuttle RFP and future concessions for the Board's consideration. Motion FAILED by the following vote: YES – Cox, Gleason, Robinson, Young; NO – Boland, Desmond, Finnila, Panknin, Smisek; ABSENT – None. (Weighted Vote Points: YES – 43; NO – 57; ABSENT – 0)

Board Member Young agreed to amend his motion to remove the word "mandatory" and insert 90 days in regards to worker retention. Board Member Cox concurred.

MOTION #2

ACTION: Moved by Board Member Young and seconded by Board Member Cox to direct staff to work with affected employees and representatives to draft language requiring that worker retention for 90 days be included in future concessions, parking and shuttle RFP's for Board consideration. Motion carried by the following vote: YES – Boland, Cox, Desmond, Gleason, Robinson, Smisek, Young; NO – Finnila, Panknin; ABSENT – None. (Weighted Vote Points: YES – 79; NO – 21; ABSENT – 0)

Board Member Boland clarified that it is also includes shuttles within the Authority's ground transportation program.

REPORT ON CLOSED SESSION: Breton Lobner, General Counsel, reported that there was no reportable action.

PUBLIC HEARINGS: 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:

ADJOURNMENT: The meeting was adjourned at 4:25 P.M.

APPROVED BY A MOTION OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY BOARD THIS 2nd DAY OF DECEMBER, 2010.

TONY R. RUSSELL
DIRECTOR, CORPORATE SERVICES/
AUTHORITY CLERK

APPROVED AS TO FORM:

BRETON K. LOBNER
GENERAL COUNSEL