

**DRAFT
SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
SPECIAL BOARD AND EXECUTIVE AND FINANCE COMMITTEE MEETING
MINUTES
MONDAY, DECEMBER 20, 2010
SAN DIEGO INTERNATIONAL AIRPORT
BOARD ROOM**

CALL TO ORDER

Chair Gleason called the special meeting of the Board and Executive and Finance Committee to order at 9:06 a.m., Monday, December 20, 2010, in the Board Room of the San Diego International Airport, Commuter Terminal, 3225 N. Harbor Drive, San Diego, CA 92101.

PLEDGE OF ALLEGIANCE

Board Member Young led the Pledge of Allegiance.

ROLL CALL

Board

Present:	Board Members:	Boland, Cox, Finnila, Gleason, Panknin, Robinson, Smisek, Young
Absent:	Board Members:	Berman (Ex Officio), Desmond, Richie (Ex Officio)

Executive Committee

Present:	Committee Members:	Cox, Gleason, Smisek
Absent:	Committee Members:	None

Finance Committee

Present:	Committee Members:	Cox, Finnila, Panknin, Robinson, Young
Absent:	Committee Members:	None

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

NON-AGENDA PUBLIC COMMENT

SUHAIL KHALIL, SAN DIEGO, Peninsula Community Planning Board, stated that an ad hoc committee has been formed to study the north side improvements and the Supplement Environmental Impact Report (EIR), and requested that the comment period for the EIR be extended.

BOARD BUSINESS

- 1. 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 (This Item was Continued from the December 2, 2010 Board Meeting):**

Jeffrey Woodson, Vice President, Administration, provided an overview of the staff report.

Board Member Finnila disclosed *ex-parte communications* with Pat Murray and Jaimini Erskine, SSP America, and Phil Rath, Public Policy Strategies.

Chair Gleason disclosed *ex-parte communications* with Blake Harwell and Daniel Rottenstreich, Unite Here Local 30, and Lorena Gonzalez of the Labor Council.

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

DELIA HUSS, CHULA VISTA, urged the Board to adopt a worker retention policy.

SISTER JUSTINE CHURCH, LA MESA, urged the Board to adopt a worker retention policy.

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

MICKEY KASPARIAN, LA MESA, urged the Board to adopt a worker retention policy.

Board Member Panknin stated that the new language encourages contractors to compete and it allows the Board to select contractors based on the criteria. He moved to accept staff's recommendation utilizing the RFP language in Attachment B. Board Member Finnila seconded the motion.

In response to Board Member Cox regarding a mechanism to address awarding bonus points and the penalty for lack of follow through, Mr. Woodson stated that the evaluation criteria will be established up front, and points will be awarded as part of the consideration of each bid. He further stated that a mechanism will be established to ensure there is compliance with the terms of the RFP.

Board Member Finnila requested that a training program be included in the RFP to assist incumbent workers that will be transitioning.

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 solicitations for Concessions (retail, food and beverage), Airport Shuttle Services and Parking Services.

ACTION: Moved by Board Member Panknin and seconded by Board Member Finnila to approve staff's recommendation using the RFP language in Attachment B. Motion carried by the following vote: YES – Boland, Cox, Finnila, Gleason, Panknin, Robinson, Smisek, Young; NO – None; ABSENT – Desmond. (Weighted Vote Points: YES – 88; NO – None; ABSENT – 12)

2. PRESENTATION ON PROPOSED AGREEMENT WITH ADVANTAGE PERFORMANCE GROUP FOR STRATEGIC BUSINESS PLANNING SERVICES:

Angela Shafer-Payne, Vice President, Planning & Operations, and Matthew Harris, Senior Director, Executive Office, provided a presentation on the Proposed Agreement with Advantage Performance Group, which included the Request for Proposal (RFP) Process, Company Background, Work Plan – Phase I, Work Plan – Phase II, Work Plan – Phase III, Implementation Timeline, and Summary and Recommendation.

In response to Chair Gleason regarding this firm's fees compared to other respondents, Mr. Harris stated that some of the proposers may not have understood what was being requested based on the proposals that were submitted. He stated that this firm offered a different approach to strategic planning.

Thella F. Bowens, President/CEO, noted that this firm will take an absolute custom approach to the Authority, which is extremely valuable.

RECOMMENDATION: Provide direction to staff.

ACTION: No action was taken.

FINANCE COMMITTEE NEW BUSINESS

3. REVIEW OF THE UNAUDITED FINANCIAL STATEMENTS FOR THE FIVE MONTHS ENDED NOVEMBER 30, 2010:

Vernon Evans, Vice President, Finance/Treasurer, and Kathy Kiefer, Director, Accounting, provided a presentation on the Unaudited Financial Statements for the Five Months Ended November 30, 2010, which included Enplanements, Gross Landing Weight Units, Airport Parking Transactions, Car Rental License Fees, Operating Revenues for the Month Ended November 30, 2010, Operating Expenses for the Month Ended November 30, 2010, Financial Summary for the Month Ended November 30, 2010, Nonoperating Revenues and Expenses, Monthly Operating Revenue, Monthly Operating Expenses, Build America Bonds (BAB), BAB – Accounting Implications, Balance Sheets, and Liabilities and Net Assets.

RECOMMENDATION: Receive the report.

4. REVIEW OF THE AUTHORITY'S INVESTMENT REPORT AS OF NOVEMBER 30, 2010:

Scott Brickner, Director, Financial Planning & Budget, provided a presentation on the Authority's Investment Report as of November 30, 2010, which included the Total Portfolio Summary, Portfolio Composition by Security Type, Portfolio Composition by Rating, Portfolio Composition by Maturity Distribution, Benchmark Comparison, and Bond Proceeds Summary.

RECOMMENDATION: Receive the report.

EXECUTIVE COMMITTEE NEW BUSINESS

5. APPROVAL OF MINUTES:

RECOMMENDATION: Approve the minutes of the November 22, 2010 Committee Meeting.

ACTION: Moved by Board Member Smisek and seconded by Board Member Cox to approve staff's recommendation. Motion carried unanimously, noting Chair Gleason's ABSTENTION.

6. **PRE-APPROVAL OF TRAVEL REQUESTS AND APPROVAL OF BUSINESS AND TRAVEL EXPENSE REIMBURSEMENT REQUESTS FOR BOARD MEMBERS, THE PRESIDENT/CEO, THE CHIEF AUDITOR AND GENERAL COUNSEL:**
RECOMMENDATION: Pre-approve travel requests and approve business and travel expense reimbursement requests.

ACTION: Moved by Board Member Smisek and seconded by Board Member Cox to approve staff's recommendation. Motion carried unanimously.

REVIEW OF FUTURE AGENDAS

7. **REVIEW OF THE DRAFT AGENDA FOR THE JANUARY 6, 2011 BOARD MEETING:**
Thella F. Bowens, President/CEO, provided an overview of the draft agenda for the January 6, 2011 Board Meeting.

Ms. Bowens noted that Item 13, amendments to the International Air Service Program, is being removed from the agenda.

Ms. Bowens noted that two additional items will be added to the agenda; an item to amend Authority Code 9.33, to include provisions related to state-imposed surcharges related to parking fees; and an item to amend Authority Policy 9.12, Ground Transportation Permits, authorizing additional daily taxicab service.

Chair Gleason suggested that Item 12, establishing a Business Preference Program, be the first item under New Business.

ACTION: Moved by Board Member Cox and seconded by Board Member Smisek to approve the draft agenda as amended. Motion carried unanimously.

8. **REVIEW OF THE DRAFT AGENDA FOR THE JANUARY 6, 2011 AIRPORT LAND USE COMMISSION MEETING:**
Thella F. Bowens, President/CEO, provided an overview of the draft agenda for the January 6, 2011 Airport Land use Commission meeting.

Tony R. Russell, Director, Corporate Services/Authority Clerk, noted that depending on the outcome of Special Airport Land Use Commission meeting later today, some items may be removed from the agenda.

ACTION: Moved by Board Member Smisek and seconded by Board Member Cox to approve the draft agenda. Motion carried unanimously.

The Board recessed at 10:29 a.m. and reconvened at 11:07 a.m.

CLOSED SESSION: The Board recessed into Closed Session at 11:07 a.m. to discuss Item 11.

9. **CONFERENCE WITH LEGAL COUNSEL: ANTICIPATED LITIGATION:**
Initiation of litigation pursuant to subdivision (c) of Section 54956.9: (1 case)
10. **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).
11. **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
12. **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
13. **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

REPORT ON CLOSED SESSION – The Board reconvened into open session at 11:18 am. Breton Lobner, General Counsel, reported that there was no reportable action.

NON-AGENDA PUBLIC COMMENT – None

COMMITTEE MEMBER COMMENTS – None

ADJOURNMENT

The meeting was adjourned at 11:20 a.m. The next meeting of the Executive and Finance Committees will be held on January 24, 2011 at 9:00 a.m. in the Board Room at the San Diego International Airport, Commuter Terminal, 3225 N. Harbor Drive, San Diego, CA 92101.

APPROVED BY A MOTION OF THE EXECUTIVE COMMITTEE THIS 24th DAY
OF JANUARY, 2011.

TONY R. RUSSELL
DIRECTOR, CORPORATE SERVICES/
AUTHORITY CLERK

APPROVED AS TO FORM:

BRETON K. LOBNER
GENERAL COUNSEL