



**MINUTES OF THE CITY COUNCIL
AIRPORT ECONOMIC, BUDGET
AND COMPETITIVE ISSUES
STUDY SESSION**

SAN JOSE, CALIFORNIA

MONDAY, MARCH 08, 2010

The Council of the City of San José convened in regular study session at 1:32 p.m. in the Council Chambers at City Hall.

Present: Council Members - Campos, Chirco, Chu, Constant, Herrera, Kalra, Liccardo, Nguyen, Oliverio, Pyle; Reed.

Absent: Council Members - None.

Staff: City Attorney Richard Doyle, City Manager Debra Figone, Director of Aviation William Sherry, Deputy Director of Aviation Kim Aguirre, Deputy Director of Aviation Terri Gomes, Deputy Director of Facilities and Engineering Patrick Tonna, Director of Air Service Edward Nelson, Deputy Director of Operations John Aitken, Director of Planning and Development David Moss, Chief Strategist Kim Walesh, Assistant City Clerk Dennis Hawkins and Legislative Secretary Susan M. Davis.

Documents Filed: (1) Memorandum from Director of Aviation William Sherry, dated March 3, 2010, providing budget and policy issues affecting the competitiveness of the Norman Y. Mineta San José International Airport. (2) Staff presentation dated March 8, 2010 summarizing City Budget and Policy Issues Affecting Airport Competitiveness. (3) Eight correspondences all dated March 8, 2010 regarding concerns about changing the current nighttime curfew for flight operations at the Norman Y. Mineta San José International Airport.

The purpose of the Study Session was to provide information to the City Council on (1) the market-driven competitive environment in which airports must operate. (2) The impacts on the Airport's revenues, services and budget. (3) Alternative futures for the Airport contingent upon its ability to address market and competition issues.

Upon the outcome of the Study Session, the City Council will have a deeper understanding of the Airport's competitive and financial challenges that are unique among all City programs and services.

Welcome and Background

Mayor Reed provided opening comments.

City Budget and Policy Issues Affecting Airport Competitiveness

Director of Aviation William provided the Staff presentation on the following issues: (1) Competing in the Marketplace, the Airport as a self supporting business; (2) National and Bay Area air service market trends. (3) Cost per enplanement, what it is and why it is important. (4) Airport budget issues. (5) Challenges to effectively compete in the marketplace. (6) Strategies to address marketplace challenges. (7) Tale of two airports, possible future trends. (8) Where do we go from here.

Extensive Council discussion followed.

Public Comments: Speaking about airports contributing to pollution, adding more Airline routes, continuing an enforcement of the living wage at the Airport, expressing support to the curfew, attracting more vendors and businesses to San José, objecting to contracting out employees at the Airport, and expressing opposition to allowing more private planes at the Airport were Janet Gray Hayes, Citizens Against Airport Pollution, John Salah, Farhan, Durraiei Iqbal, David Collins, Carpenters Union Local 405, Kerri Hamilton, Citizens for Environmental and Economic Justice (CEEG), Terrie Iacino, Step Up Silicon Valley, William Lytle, Reverend Rebecca Kuiker, The Interfaith Council, Sandy Perry, CHAM, Ben Field, South Bay Labor Council, Stefano Perez, Josue Garcia, Neil Struthers, Building Trades Council, Calvin Mian, Unite Here!, Ruby Cruz, Samuel Bayeta, Fred Hirsch, Warren Barry, Rudy Carrasco, Bill Guthrie, UA Local 393, Carl Cimino, Pipe Trades Training Center, Marshall Vasquez, Plasterers and Cement Masons Local 300, Dennis Zmerkin, Ironworkers, Sarah Muller, Working Partnerships USA, Chuck Andrea, Teamsters Local 665, Dwayne, Susita Cardoza, Tiffany Melendez, Sylvia Ruiz, SEUI USWW, Gregory Ramirez, AFSCME, David Wall, Linda Dittes, AFSCME MEF/CEO, Ed Hodges, CAAP, Yolanda Reynolds, Ransom Fields, Sharon Sweeney, Terri Balandra, Wanda Buck, Elizabeth Monely, College Park Neighborhood Association, Robert Lindley, Leonard Almaleeh, Enterprise Holdings, Inc., Ross Signorino, Seyou Asrat, Kebodo Kaba, San José Taxi Drivers Association, Clark Williams, Lorraine Tallarico, Avis Budget Rent a Car, Steve Frost, Corporate Air Technology, Mookie Patel, Alaska Airlines and Frank Sweeney.

Mayor Reed requested that Staff bring a work plan to the Rules and Open Government Committee.

Mayor Reed adjourned the Study Session at 5:17 p.m.

Minutes Recorded, Prepared and Respectfully Submitted by,

Dennis Hawkins
Assistant City Clerk

smd/03-08-10 AIRPORT SS MIN