

# SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

## Board Members

C. April Boling  
Chairman

Greg Cox  
Jim Desmond  
Robert H. Gleason  
Jim Janney  
Mark Kersey  
Paul Robinson  
Michael Schumacher  
Mary Sessom

## **BOARD** **AGENDA**

Thursday, June 1, 2017  
9:00 A.M.

San Diego International Airport  
SDCRAA Administration Building – Third Floor  
Board Room  
3225 N. Harbor Drive  
San Diego, California 92101

## Ex-Officio Board Members

Laurie Berman  
Eraina Ortega  
Col. Jason Woodworth

## President / CEO

Kimberly J. Becker

***Live webcasts of Authority Board meetings can be accessed at  
<http://www.san.org/Airport-Authority/Meetings-Agendas/Authority-Board>***

This Agenda contains a brief general description of each item to be considered. The indication of a recommended action does not indicate what action (if any) may be taken. ***Please note that agenda items may be taken out of order.*** If comments are made to the Board without prior notice or are not listed on the Agenda, no specific answers or responses should be expected at this meeting pursuant to State law.

Staff Reports and documentation relating to each item of business on the Agenda are on file in Corporate & Information Governance and are available for public inspection.

**NOTE:** Pursuant to Authority Code Section 2.15, all Lobbyists shall register as an Authority Lobbyist with the Authority Clerk within ten (10) days of qualifying as a lobbyist. A qualifying lobbyist is any individual who receives \$100 or more in any calendar month to lobby any Board Member or employee of the Authority for the purpose of influencing any action of the Authority. To obtain Lobbyist Registration Statement Forms, contact the Corporate & Information Governance/Authority Clerk Department.

PLEASE COMPLETE A "REQUEST TO SPEAK" FORM PRIOR TO THE COMMENCEMENT OF THE MEETING AND SUBMIT IT TO THE AUTHORITY CLERK. ***PLEASE REVIEW THE POLICY FOR PUBLIC PARTICIPATION IN BOARD AND BOARD COMMITTEE MEETINGS (PUBLIC COMMENT) LOCATED AT THE END OF THE AGENDA.***

*The Authority has identified a local company to provide oral interpreter and translation services for public meetings. If you require oral interpreter or translation services, please telephone the Corporate & Information Governance /Authority Clerk Department with your request at (619) 400-2400 at least three (3) working days prior to the meeting.*

**CALL TO ORDER:**

**PLEDGE OF ALLEGIANCE:**

**ROLL CALL:**

**PRESENTATIONS:**

- A. FEDERAL LEGISLATIVE UPDATE:**  
Presented by Mike Kulis, Director, Inter-Governmental Relations; and Sam Whitehorn, Signal Group
- B. INNOVATION LAB UPDATE:**  
Presented by Rick Belliotti, Director, Innovation and Small Business Development

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

***STANDING BOARD COMMITTEES***

- **AUDIT COMMITTEE:**  
Committee Members: Gleason, Hollingworth, Robinson (Chair), Schumacher, Sessom, Tartre, Van Sambeek
- **CAPITAL IMPROVEMENT PROGRAM OVERSIGHT COMMITTEE:**  
Committee Members: Gleason, Janney(Chair), Kersey, Robinson
- **EXECUTIVE PERSONNEL AND COMPENSATION COMMITTEE:**  
Committee Members: Boling, Cox, Desmond (Chair), Kersey, Schumacher
- **FINANCE COMMITTEE:**  
Committee Members: Boling (Chair), Cox, Janney, Sessom

***ADVISORY COMMITTEES***

- **AUTHORITY ADVISORY COMMITTEE:**  
Liaison: Robinson (Primary), Boling
- **ART ADVISORY COMMITTEE:**  
Committee Member: Gleason

***LIAISONS***

- **AIRPORT LAND USE COMPATIBILITY PLAN:**  
Liaison: Janney

- **CALTRANS:**  
Liaison: Berman
- **INTER-GOVERNMENTAL AFFAIRS:**  
Liaison: Cox
- **MILITARY AFFAIRS:**  
Liaison: Woodworth
- **PORT:**  
Liaisons: Boling, Cox, Gleason (Primary), Robinson
- **WORLD TRADE CENTER:**  
Representatives: Gleason (Primary)

***BOARD REPRESENTATIVES (EXTERNAL)***

- **SANDAG TRANSPORTATION COMMITTEE:**  
Representatives: Boling (Alternate), Janney (Primary)

**CHAIR'S REPORT:**

**PRESIDENT/CEO'S REPORT:**

**NON-AGENDA PUBLIC COMMENT:**

Non-Agenda Public Comment is reserved for members of the public wishing to address the Board on matters for which another opportunity to speak **is not provided on the Agenda**, and which is within the jurisdiction of the Board. Please submit a completed speaker slip to the Authority Clerk. ***Each individual speaker is limited to three (3) minutes. Applicants, groups and jurisdictions referring items to the Board for action are limited to five (5) minutes.***

**Note:** Persons wishing to speak on specific items should reserve their comments until the specific item is taken up by the Board.

**CONSENT AGENDA (Items 1-1&):**

The consent agenda contains items that are routine in nature and non-controversial. Some items may be referred by a standing Board Committee or approved as part of the budget process. The matters listed under 'Consent Agenda' may be approved by one motion. Any Board Member may remove an item for separate consideration. Items so removed will be heard before the scheduled New Business Items, unless otherwise directed by the Chair.

**1. APPROVAL OF MINUTES:**

The Board is requested to approve minutes of prior meetings.

**RECOMMENDATION:** Approve the minutes of the May 4, 2017 regular meeting and April 24, 2017 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:**  
The Board is requested to accept the reports.  
RECOMMENDATION: Accept the reports and pre-approve Board member attendance at other meetings, trainings and events not covered by the current resolution.  
**(Corporate & Information Governance: Tony R. Russell, Director/Authority Clerk)**
- 3. AWARDED CONTRACTS, APPROVED CHANGE ORDERS FROM APRIL 10, 2017 THROUGH MAY 7, 2017 AND REAL PROPERTY AGREEMENTS GRANTED AND ACCEPTED FROM APRIL 10, 2017 THROUGH MAY 7, 2017:**  
The Board is requested to receive the report.  
RECOMMENDATION: Receive the report.  
**(Procurement: Jana Vargas, Director)**
- 4. JUNE 2017 LEGISLATIVE REPORT:**  
The Board is requested to approve the report.  
RECOMMENDATION: Adopt Resolution No. 2017-0046, approving the June 2017 Legislative Report.  
**(Inter-Governmental Relations: Michael Kulis, Director)**
- 5. APPOINTMENT OF PUBLIC MEMBER TO THE AUDIT COMMITTEE:**  
The Board is requested to approve the appointment.  
RECOMMENDATION: Adopt Resolution No. 2017-0047, appointing Don Tartre to a new term as a Public Member to the Audit Committee.  
**(Corporate & Information Governance: Tony Russell, Director/Authority Clerk)**

## **CLAIMS**

## **COMMITTEE RECOMMENDATIONS**

- 6. REQUIRED COMMUNICATION TO THE AUDIT COMMITTEE ON THE FINANCIAL AND COMPLIANCE AUDIT FOR THE FISCAL YEAR ENDED JUNE 30, 2017:**  
The Board is requested to accept the information.  
RECOMMENDATION: The Audit Committee recommends that the Board accept the information.  
**(Chief Auditor: Mark Burchyett, Chief Auditor)**

- 7. FISCAL YEAR 2017 THIRD QUARTER ACTIVITIES REPORT AND AUDIT RECOMMENDATIONS ISSUED BY THE OFFICE OF THE CHIEF AUDITOR:**  
The Board is requested to accept the information.  
RECOMMENDATION: The Audit Committee recommends that the Board accept the information.  
**(Chief Auditor: Mark Burchyett, Chief Auditor)**
- 8. FISCAL YEAR 2018 PROPOSED AUDIT PLAN OF THE OFFICE OF THE CHIEF AUDITOR:**  
The Board is requested to approve the audit plan.  
RECOMMENDATION: The Audit Committee recommends that the Board adopt Resolution No. 2017-0048, approving the proposed Fiscal Year 2018 Audit Plan.  
**(Chief Auditor: Mark Burchyett, Chief Auditor)**
- 9. ANNUAL REVIEW AND APPROVAL OF AMENDMENTS TO AUTHORITY POLICY 4.20 – POLICY GUIDELINES FOR PRUDENT INVESTMENTS, DELEGATION OF AUTHORITY TO INVEST AND MANAGE AUTHORITY FUNDS TO THE VICE PRESIDENT, FINANCE AND ASSET MANAGEMENT/TREASURER:**  
The Board is requested to amend the policy.  
RECOMMENDATION: The Finance Committee recommends that the Board adopt Resolution No. 2017-0049, approving amendments to Authority Policy 4.20 – Policy Guidelines for Prudent Investments, and delegating authority to invest and manage Authority funds to the Vice President, Finance and Asset Management/Treasurer.  
**(Business and Financial Management: John Dillon, Director)**
- 10. ANNUAL REVIEW AND APPROVAL OF AMENDMENTS TO AUTHORITY POLICY 4.40 – DEBT ISSUANCE AND MANAGEMENT:**  
The Board is requested to amend the policy.  
RECOMMENDATION: The Finance Committee recommends that the Board adopt Resolution No. 2017- 0050, approving amendments to Authority Policy 4.40 - Debt Issuance and Management Policy.  
**(Business and Financial Management: John Dillon, Director)**

### **CONTRACTS AND AGREEMENTS**

- 11. APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE SERVICE AGREEMENTS WITH CLEANTECH SAN DIEGO AND SENSEOPS FOR CONDENSATE SENSOR DEPLOYMENT UNDER THE SAN DIEGO FOUNDATION'S SMART CITIES & WATER SOLUTIONS GRANT PROGRAM:**  
The Board is requested to authorize the execution of an agreement.  
RECOMMENDATION: Adopt Resolution No. 2017-0051, approving and authorizing the President/CEO to execute service agreements with Cleantech San Diego and SenseOps for condensate sensor deployment, for a term extending to May 1, 2018.  
**(Environmental Affairs: Brendan Reed, Director)**

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

**12. ADOPT RESOLUTION NO. 2017-0042R REFLECTING CORRECT CONTRACT AMOUNT FOR PROJECT NO. 104210:**

The Board is requested to approve a revised resolution.

RECOMMENDATION: Adopt Resolution No. 2017-0042R, awarding a contract to Prava Construction Services, Inc. In the amount of \$3,581,683.22 for Project No. 104210, Terminal Two East Improvements at San Diego International Airport.

**(Facilities Development: Iraj Ghaemi, Director)**

**PUBLIC HEARINGS:**

**OLD BUSINESS:**

**13. DISCUSSION AND POSSIBLE ACTION REGARDING ASSEMBLY BILL 805:**

The Board is requested to discuss the Assembly bill.

RECOMMENDATION: Adopt Resolution No. 2017-0044, adopting a WATCH position on Assembly Bill 805.

**(Inter-Governmental Relations: Mike Kulis, Director)**

**NEW BUSINESS:**

**14. APPROVAL AND ADOPTION OF THE OPERATING BUDGET FOR FISCAL YEAR 2018, THE CAPITAL PROGRAM FOR FISCAL YEARS 2018-2022, AND CONCEPTUAL APPROVAL OF THE OPERATING BUDGET FOR FISCAL YEAR 2019:**

The Board is requested to approve the budgets.

RECOMMENDATION: Adopt Resolution No. 2017-0053, approving and adopting the Authority's Annual Operating Budget for Fiscal Year 2018, the Capital Program for Fiscal Years 2018-2022, and conceptually approving the Operating Budget for Fiscal Year 2019.

**(Finance & Asset Management/Treasurer: Scott Brickner, Vice President)**

**CLOSED SESSION:**

**15. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION:**

(Paragraph (1) of subdivision (d) of Cal. Gov. Code §54956.9)

Name of Case: GGTW LLC v San Diego County Regional Airport Authority, et al., San Diego Superior Court Case No. 37-2016-00032646-CU-BC-CTL

**16. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION:**

(Paragraph (1) of subdivision (d) of Cal. Gov. Code §54956.9)

Name of Case: San Diego County Regional Airport Authority v. American Car Rental, Inc., San Diego Superior Court Case No. 37-2016-00024056-CL-BC-CTL

- 17. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION:**  
(Paragraph (1) of subdivision (d) of Cal. Gov. Code §54956.9)  
Dryden Oaks, LLC v. San Diego County Regional Airport Authority, et al., San Diego Superior Court, North County, Case No. 37-2014-00004077-CU-EI-NC
- 18. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:**  
(Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Cal. Gov. Code §54956.9)  
Investigative Order No. R9-2012-0009 by the California Regional Water Quality Control Board pertaining to an investigation of bay sediments at the Downtown Anchorage Area in San Diego.  
Number of potential cases: 1
- 19. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:**  
(Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Cal. Gov. Code §54956.9)  
The Receipt of a Government Claim from Cal-a-Vie Spa  
Number of potential cases: 1
- 20. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:**  
(Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Cal. Gov. Code §54956.9)  
Navy Boat Channel Environmental Remediation  
Number of potential cases: 1
- 21. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:**  
(Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Cal. Gov. Code §54956.9)  
Number of potential cases: 2
- 22. CONFERENCE WITH LEGAL COUNSEL –ANTICIPATED LITIGATION:**  
(Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Cal. Gov. Code §54956.9)  
In re Seaport Airlines, Inc., U.S. Bankruptcy Court Case No. 16-30406-rld7  
Number of potential cases: 1
- 23. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION**  
(Initiation of litigation pursuant to paragraph (4) of subdivision (d) of Cal. Gov. Code §54956.9)  
Number of cases: 1

**24. CONFERENCE WITH REAL PROPERTY NEGOTIATORS AND WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:**

(Gov. Code §§54956.9(d)(e)(1) and 54954.5(b))

Property: Concession leases (food & beverage) with Host, High Flying Foods and SSP

Agency Negotiator: Scott Brickner, Kathy Kiefer and Eric Podnieks

Negotiating Parties: Host, High Flying Foods San Diego Partnership, SSP

America, Inc. and Stellar Partners, Inc.

Under negotiation: rent (price and terms of payment), closure/conversion of locations, new concession buildout, ACDBE participation, lease compliance issues, claim by Host and close outs/permits.

**25. PUBLIC EMPLOYEE PERFORMANCE EVALUATION:**

Cal. Gov. Code §54957

Title: General Counsel

**26. PUBLIC EMPLOYEE PERFORMANCE EVALUATION:**

Cal. Gov. Code §54957

Title: Chief Auditor

**REPORT ON CLOSED SESSION:**

**GENERAL COUNSEL REPORT:**

**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:**

**Policy for Public Participation in Board, Airport Land Use Commission (ALUC), and Committee Meetings (Public Comment)**

- 1) Persons wishing to address the Board, ALUC, and Committees shall complete a "Request to Speak" form prior to the initiation of the portion of the agenda containing the item to be addressed (e.g., Public Comment and General Items). Failure to complete a form shall not preclude testimony, if permission to address the Board is granted by the Chair.
- 2) The Public Comment Section at the beginning of the agenda is limited to eighteen (18) minutes and is reserved for persons wishing to address the Board, ALUC, and Committees on any matter for which another opportunity to speak is not provided on the Agenda, and on matters that are within the jurisdiction of the Board. A second Public Comment period is reserved for general public comment later in the meeting for those who could not be heard during the first Public Comment period.
- 3) Persons wishing to speak on specific items listed on the agenda will be afforded an opportunity to speak during the presentation of individual items. Persons wishing to speak on specific items should reserve their comments until the specific item is taken up by the Board, ALUC and Committees. Public comment on specific items is limited to twenty (20) minutes – ten (10) minutes for those in favor and ten (10) minutes for those in opposition of an item. Each individual speaker will be allowed three (3) minutes, and applicants and groups will be allowed five (5) minutes.
- 4) If many persons have indicated a desire to address the Board, ALUC and Committees on the same issue, then the Chair may suggest that these persons consolidate their respective testimonies. Testimony by members of the public on any item shall be limited to **three (3) minutes per individual speaker and five (5) minutes for applicants, groups and referring jurisdictions.**
- 5) Pursuant to Authority Policy 1.33 (8), recognized groups must register with the Authority Clerk prior to the meeting.
- 6) After a public hearing or the public comment portion of the meeting has been closed, no person shall address the Board, ALUC, and Committees without first obtaining permission to do so.

**Additional Meeting Information**

**NOTE:** This information is available in alternative formats upon request. To request an Agenda in an alternative format, or to request a sign language or oral interpreter, or an Assistive Listening Device (ALD) for the meeting, please telephone the Authority Clerk's Office at (619) 400-2400 at least three (3) working days prior to the meeting to ensure availability.

For your convenience, the agenda is also available to you on our website at [www.san.org](http://www.san.org).

**For those planning to attend the Board meeting, parking is available in the public parking lot located directly in front of the Administration Building. Bring your ticket to the third floor receptionist for validation.**

**You may also reach the Administration Building by using public transit via the San Diego Metropolitan Transit System, Route 992. The MTS bus stop at Terminal 1 is a very short walking distance from the Administration Building. ADA paratransit operations will continue to serve the Administration Building as required by Federal regulation. For MTS route, fare and paratransit information, please call the San Diego MTS at (619) 233-3004 or 511. For other Airport related ground transportation questions, please call (619) 400- 2685.**

**UPCOMING MEETING SCHEDULE**

<i>Date</i>	<i>Day</i>	<i>Time</i>	<i>Meeting Type</i>	<i>Location</i>
July 6	Thursday	9:00 a.m.	Regular	Board Room



**SAN DIEGO**  
INTERNATIONAL AIRPORT

LET'S **GO.**

# June 2017 Federal Legislative Update

Presented by: Sam Whitehorn,  
Managing Director, Signal Group

June 1, 2017

# Political Environment



- President Trump - first 100 days completed
- Cabinet Secretaries confirmed but other nominations are delayed
- Elaine Chao - confirmed as Secretary of Transportation; Jeffrey Rosen confirmed as Deputy
- General John Kelly (Ret.) - confirmed as Secretary of Homeland Security
- Judge Neil M. Gorsuch - confirmed as Supreme Court Justice

# Executive Orders

## Immigration

- Would suspend immigration into the U.S. from six predominantly Muslim countries
- Federal court injunction blocking the ban was upheld by appeals court

## Regulatory Reform

- Requires agencies to eliminate two old regulations for each new regulation implemented
- Also requires all federal agencies to appoint a regulatory reform officer

## Buy American and Hire American

- Requires federal agencies to develop policies to maximize the use of materials produced in the U.S.

# Major Legislative Issues

## Affordable Care Act (ACA) Repeal/Replace

- House approved legislation to repeal and replace major parts of the ACA
- Senate Republicans are developing their own proposal - expected to take several more months to negotiate

## Tax Reform

- Administration proposing significant cuts to corporate tax rate, simpler tax code, and increases in standard deductions
- House is actively engaged in crafting a tax proposal which may reduce corporate tax rates to 15%
- Senate has also begun to consider tax reform proposals

# Infrastructure Initiative

- President Trump outlined funding package in the FY 18 budget proposal and “Infrastructure Initiative” fact sheet
  - Relies heavily on state, local, and private money to generate \$1 trillion in new investments over a decade
  - Proposes \$200 billion in direct federal spending
  - Investments will be in roads, bridges, airports, schools, broadband, cyber
- Senate Democrats introduced \$1 trillion dollar proposal to participate in negotiations
- Congress interested in infrastructure package, but when, and how to pay for it, remain in question
  - Public-private partnerships, federal funding, or foreign-direct investments are options

# FAA Reauthorization

- FAA currently operating under an extension that expires 9/30/17
- Congress has begun crafting FAA Reauthorization bills - extension is expected
- House bill - will include controversial ATC reform provision to move it from government to a private, nonprofit entity
  - ATC reform is Chairman Shuster's top priority
  - PFC adjustment will not be included in House bill
- Senate bill expected to resemble last year's unpassed legislation
- House and Senate both want to pass bills by the August recess

# President's FY 18 Budget Proposal

- Proposes \$4.1 trillion budget for FY 18, with \$1.15 trillion for discretionary spending
- Would reduce federal spending by \$3.6 trillion over 10 years, with significant cuts across the board to domestic, non-defense programs
- Proposes increased investment in border security technology and infrastructure (border wall)
- Significant differences between White House and Congressional spending priorities are likely to pose a challenge to reach agreement on FY 18 spending levels
- Administration's budget violates the cap for defense spending established by the Budget Control Act of 2011

# President's FY 18 Budget Proposal

## FAA

- Would fund FAA at \$16.1 billion (decrease of \$244 million from FY 17 level)
  - Proposes maintaining \$3.35 billion for Airport Improvement Program
  - No PFC increase

## TSA

- Would fund TSA at \$7.1 billion (decrease of \$700 million from FY 17 level)
  - Proposes eliminating Law Enforcement Officer Reimbursement Program
  - Proposes terminating TSA staffing of airport exit lanes
  - Would increase the 9/11 Passenger Security Fee by \$1 per one-way trip
  - Does not address current fee diversion to other federal programs

# President's FY 18 Budget Proposal

## CBP

- Does not include funding for new CBP officers
- Would increase Immigration User Fee by \$2
- Would increase Customs User Fee for air and sea passengers by \$2
- Proposes eliminating Corporation for Travel Promotion (Brand USA)



# Outlook

- FAA Reauthorization - likely to pass both chambers; enactment not likely before Sept. 30<sup>th</sup>
- Health Care – unclear
- Tax Reform – unclear
- FY 18 Appropriations – possible
- TSA reform - possible

Questions?





**SAN DIEGO**  
INTERNATIONAL AIRPORT  
LET'S **GO.**

# Innovation Lab Update

SAN Board Meeting  
June 1, 2017

# Innovation Lab: The Background



Industry innovators desire to collaborate



Enterprises seeking opportunities



Authority motivated to engage and excel



San Diego as an Innovation Hub



Opportunity at SAN

# SAN Innovation Lab: What It Is



A place to build & test new ideas in a 'real' airport environment



Collaboration between companies, innovators and airport executives



Successful ideas coming out of the lab can be implemented



# Innovation Lab: Key Objectives



Drive airport innovation & enhance the passenger experience



Position SAN as a leader in aviation innovation



Foster entrepreneurship in the region



Drive revenue/decrease cost

# Innovation Lab: The Space

-  3,500 square feet of unused Airport space
-  Multi-functional work area
-  Mini Terminal Environment
-  Ticket and gate counters, bag claim carousel, mock check point
-  Aesthetically appealing, yet low cost



# Innovation Lab: Benefits



# Innovation Labs: Examples in Other Sectors



*Changi Airport launches Living Lab to create next generation of technology solutions*



# Innovation Lab:

Outreach To & Positive Feedback from Local & Industry Organizations



AMERICAN ASSOCIATION  
OF AIRPORT EXECUTIVES

# Innovation Lab: Publicity



## San Diego International Airport's innovation lab aims to unite 'isolated islands of innovation'

INITIATIVES // JAN 2017



Good ideas, like jets, need space to take off

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← Korean Air Takes Delivery of First Boeing 787 Dreamliner

New Milestone in Orlando Airport's Development

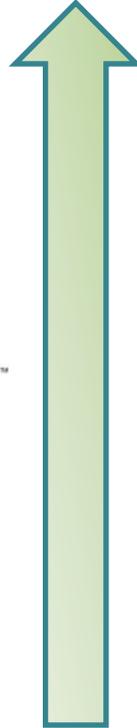
### San Diego International Airport Unveils Innovation Lab

Posted on February 24, 2017

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# Innovation Lab: Project Evolution



- Innovation Lab project
- First 'collaborative' project with revenue share
- Sparked idea for the Lab

# SAN Innovation Lab: Implementation Vision



3<sup>rd</sup> Party Partner



Advisory Panel



Unique Innovation Lab Process



“Mini Accelerator” Program

# Innovation Lab: Potential Process



# SAN Innovation Lab: Key Next Steps



Get 3<sup>rd</sup> Party Partner on Board



Invite Advisory Panel Members



Finalize “Innovation Lab” Process



Start defining “mini accelerator” program

**DRAFT  
SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY  
EXECUTIVE AND FINANCE COMMITTEE MEETING MINUTES  
MONDAY, APRIL 24, 2017  
BOARD ROOM**

**CALL TO ORDER:** Vice-Chair Robinson called the Executive and Finance Committee and Special Board Meeting to order at 9:00 a.m., on Monday, April 24, 2017, in the Board Room of the San Diego International Airport, Administration Building, 3225 N. Harbor Drive, San Diego, CA 92101.

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

**ROLL CALL:**

***Executive Committee***

Present:                      Committee Members:              Janney, Robinson (Vice Chair)

   Board Members:                      Gleason, Schumacher

Absent:                      Committee Members:              Boling (Chairman)

***Finance Committee***

Present:                      Committee Members:              Cox, Janney, Sessom

Absent:                      Committee Members:              Boling (Chairman)

Also Present:              Angela Shafer-Payne, Interim President/CEO; Amy Gonzalez, General Counsel; Tony Russell, Director, Corporate and Information Governance/Authority Clerk; Ariel Levy Mayer, Assistant Authority Clerk I

**NON-AGENDA PUBLIC COMMENT:** None.

**NEW BUSINESS:**

**1.      APPROVAL OF MINUTES:**

RECOMMENDATION: Approve the minutes of the March 27, 2017 regular meeting.

**ACTION: Moved by Board Member Janney and seconded by Vice Chair Robinson to approve staff's recommendation. Motion carried unanimously, noting Chairman Boling as ABSENT.**

**FINANCE COMMITTEE NEW BUSINESS:**

**2. REVIEW OF THE UNAUDITED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED MARCH 31, 2017:**

Kathy Kiefer, Senior Director, Finance and Asset Management provided a presentation on the Unaudited Financial Statements for the Nine Months Ended March 31, 2017, which included Gross Landing Weight Units, Enplanements, Car Rental License Fees, Food and Beverage Concessions Revenue, Retail Concessions Revenue, Parking Revenue, Operating Revenues for the Month Ended March 31, 2017, Operating Expenses for the Month Ended March 31, 2017, Financial Summary for the Month Ended March 31, 2017, Nonoperating Revenues & Expenses for the Month Ended March 31, 2017, Operating Revenues for the Nine Months Ended March 31, 2017, Operating Expenses for the Nine Months Ended March 31, 2017, Financial Summary for the Nine Months Ended March 31, 2017, Nonoperating Revenues & Expenses for the Nine Months Ended March 31, 2017, and Statements of Net Position as of March 31, 2017.

**3. REVIEW OF THE AUTHORITY'S INVESTMENT REPORT AS OF MARCH 31, 2017:**

Geoff Bryant, Manager, Airport Finance, provided a presentation on the Authority's Investment Report as of March 31, 2017, which included, Total Portfolio Summary, Portfolio Composition by Security Type, Portfolio Composition by Credit Rating, Portfolio Composition by Maturity, Benchmark Comparison, Detail of Security Holdings, Portfolio Investment Transactions, Bond Proceeds Summary, and Bond Proceeds Investment Transactions.

*Board Member Sessom left the meeting at 9:19 a.m.*

**4. SUMMARY OF OUTSTANDING REVOLVING CREDIT OBLIGATIONS AS OF MARCH 31, 2017:**

Geoff Bryant, Manager, Airport Finance, provided a presentation on the Outstanding Revolving Credit Obligations as of March 31, 2017.

**EXECUTIVE COMMITTEE NEW BUSINESS:**

**5. 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:**

Tony R. Russell, Director, Corporate and Information Governance/Authority Clerk, announced that an additional Travel Request was added to the packet for the President/CEO's trip to Washington, DC.

RECOMMENDATION: Pre-approve travel requests and approve business and travel expense reimbursement requests.

**ACTION: Moved by Board Member Janney and seconded by Vice Chair Robinson to approve staff's recommendation as amended. Motion carried unanimously, noting Chairman Boling as ABSENT.**

**REVIEW OF FUTURE AGENDAS:**

**6. REVIEW OF THE DRAFT AGENDA FOR THE MAY 4, 2017 BOARD MEETING:**

Angela Shafer-Payne, Interim President/CEO, provided an overview of the draft agenda for the May 4, 2017 Board meeting.

Amy Gonzalez, General Counsel, confirmed that Closed Session Item 21 could be removed.

**7. REVIEW OF THE DRAFT AGENDA FOR THE MAY 4, 2017 AIRPORT LAND USE COMMISSION MEETING:**

Angela Shafer-Payne, Interim President/CEO, provided an overview of the draft agenda for the May 4, 2017 ALUC meeting.

**COMMITTEE MEMBER COMMENTS:** None.

**ADJOURNMENT:** The meeting adjourned at 9:24 a.m.

APPROVED BY A MOTION OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY BOARD THIS 1<sup>ST</sup> DAY OF JUNE, 2017.

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TONY R. RUSSELL  
DIRECTOR, CORPORATE &  
INFORMATION GOVERNANCE/  
AUTHORITY CLERK

APPROVED AS TO FORM:

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AMY GONZALEZ  
GENERAL COUNSEL

**DRAFT  
SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY BOARD  
MINUTES  
THURSDAY, MAY 4, 2017  
SAN DIEGO INTERNATIONAL AIRPORT  
BOARD ROOM**

**CALL TO ORDER:** Vice Chair Robinson called the regular meeting of the San Diego County Regional Airport Authority to order at 9:05 a.m. on Thursday, May 4, 2017, in the Board Room at the San Diego International Airport, Administration Building, 3225 North Harbor Drive, San Diego, CA 92101.

**PLEDGE OF ALLEGIANCE:** Board Member Woodworth (Ex Officio) led the Pledge of Allegiance.

**ROLL CALL:**

PRESENT:                    Board Members:                    Cox, Desmond, Gleason, Robinson, Schumacher, Sessom, Woodworth (Ex Officio)

ABSENT:                    Board Members:                    Berman (Ex Officio), Boling, Janney, Kersey, Ortega (Ex Officio)

ALSO PRESENT:        Kimberly J. Becker, President/CEO; Amy Gonzalez, General Counsel; Tony R. Russell, Director, Corporate and Information Governance/Authority Clerk; Martha Morales, Assistant Authority Clerk I

*Board Member Cox arrived at 9:10 a.m.*

**PRESENTATIONS:**

**A.     REVIEW OF THE UNAUDITED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED MARCH 31, 2017:**

Kathy Kiefer, Senior Director, Finance and Asset Management provided a review of the Unaudited Financial Statements for Nine Months Ended March 31, 2017 which included Operating Revenues, Operating Expenses, Non-operating Revenue and Expenses, Financial Summary, Statement of Net Position – Assets, and Statement of Net Position – Liabilities and Net Positions.

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

***STANDING BOARD COMMITTEES***

- **AUDIT COMMITTEE:** None.

- **CAPITAL IMPROVEMENT PROGRAM OVERSIGHT COMMITTEE:**  
Jeffrey Woodson, Vice President, Development reported that on April 20, 2017 the Committee received a presentation on the proposed FY 2018 - 2022 Capital Improvement Program (CIP) budget. He also reported that the recommended CIP budget will be presented to the airlines for their input.
- **EXECUTIVE PERSONNEL AND COMPENSATION COMMITTEE:**  
Board Member Desmond reported that on April 13, 2017 the Committee met in closed session to discuss the opening of labor negotiations with the California Teamsters Local 911. He also reported that during the next meeting on May 11, 2017, the Committee will meet with the General Counsel and Chief Auditor to review their performance for fiscal year 2017 and discuss goals for the upcoming fiscal year as well as meet with the President/CEO to discuss potential goals for her first year.
- **FINANCE COMMITTEE:** None.

#### **ADVISORY COMMITTEES**

- **AUTHORITY ADVISORY COMMITTEE:**  
Board Member Robinson reported that on May 3, 2017 the Committee received an update on the FIS project including milestones and next steps; and an update on the ADP.
- **ART ADVISORY COMMITTEE:**  
Board Member Gleason reported that the ongoing concert series at Sunset Cove is continuing every Friday from 11:30 a.m. to 1:30 p.m.; and that on May 5, 2017, Ballet Folklorico will perform at Terminal Two West baggage claim area in celebration of Cinco de Mayo. He reported that the Performing Arts Residency, transceDance, premiered last week with a performance in the Terminal Two baggage claim area and they will be performing again on May 30, 2017. He reported that the Rental Car Center's Dazzle installation is ongoing; and that a statement of qualification call for two dimensional media will be made for installation along Admiral Boland Way. He also reported that the FIS Atrium Suspended Artwork is in the Design Proposal Phase and an employee engagement workshop is scheduled on May 19<sup>th</sup> and 20<sup>th</sup> as well as a Community Engagement workshop in early June for the Glass Partition Artwork. He reported that the selected Arts Master Plan Consultant, Urban Design, is starting their engagement meetings with staff and stakeholders this month.

#### **LIAISONS**

- **AIRPORT LAND USE COMPATIBILITY PLAN:** None.
- **CALTRANS:** None.

- **INTER-GOVERNMENTAL AFFAIRS:**

Board Member Cox reported that on April 28, 2017, President Trump signed a measure in to law to extend funding through May 5, 2017 for federal programs. He reported that Congress is expected to approve a \$1.16 trillion dollar spending plan this week to fund the federal government for the remainder of the fiscal year ending September 30, 2017; and that the plan would fully fund the Airport Improvement Program at \$3.35 billion dollars. He reported that on April 27, 2017 Authority staff provided an airport briefing and airfield tour for the San Diego staff from the office of Senator Kamala Harris. He also reported that on April 28, 2017 Angela Shafer Payne participated as Interim President/CEO in a meeting with staff from the Vice President's Office and other major airports to discuss the President's infrastructure initiative and how an increase in the Passenger Facility Charge can assist the Administration in identifying potential funding sources for their proposal.

- **MILITARY AFFAIRS:**

Board Member Woodworth (Ex-Officio) reported that they are working hard on long term air and noise quality in the region and are ensuring all appropriate Environmental Protection Agency measures are met.

- **PORT:**

Board Member Gleason reported that on May 1, 2017 the Committee met with the Vice Chair and Secretary of the Port of San Diego to further discuss the transportation and mobility policy working group and that the anticipated first meeting of the group will be in June 2017.

- **WORLD TRADE CENTER:**

Board Member Gleason reported that an updated work plan will be sent out after his review.

### ***BOARD REPRESENTATIVES (EXTERNAL)***

- **SANDAG TRANSPORTATION COMMITTEE:** None.

### **CHAIR'S REPORT:**

Vice Chair Robinson reported that on May 17, 2017 the airport will hold a ground breaking for the Federal Inspection Services (FIS) in Terminal Two East. He reported that as the construction progresses, Airport staff will work closely with stakeholders to mitigate any impact on operations and the traveling public. He also reported that on May 1, 2017, San Diego welcomed the first ever service from Frankfurt Germany on Condor Airlines with several events conducted to welcome Condor Airlines to the region.

### **PRESIDENT/CEO'S REPORT:**

Kimberly J. Becker, President/CEO reported that on May 1, 2017 janitorial staff from Flagship took part in International Workers' Day and that there were no significant operational impacts reported. She reported that the labor union, SEIU, was granted an Express Activities permit and plans to have demonstrations in Terminal 1 on May 9, 11,

and 16, 2017. She also reported that the Airport Authority received an ACI-NA 2017 Excellence in Airport Concessions award for The Good Traveler carbon offset program; and that since its launch in September 2015 over 11.5 million air miles have been offset and the program has been expanded to include other U.S. airports. She also reported that next week the American Association of Airport Executives (AAAE) will hold its 89<sup>th</sup> annual conference and exhibition in Long Beach and that as hosts of the conference in 2018, San Diego will have a presence at this year's event by staffing a booth at the exhibition. She reported that on April 26, 2017 the Airport Noise Advisory Committee (ANAC) held its regularly scheduled meeting in which several members of the community shared their concerns during public comment about perceived aircraft-related noise; and that the Airport Authority continues to work closely with the airlines and FAA to address those concerns. She also reported that on April 18, 2017, the Airport Authority's Small Business department hosted an event for small and local businesses to learn about construction opportunities on the airport's Federal Inspection Station (FIS) project; and that approximately 200 attendees had an opportunity to network with the FIS contractor, Turner|PCL Joint Venture, and register to be notified of future work with the airport.

**NON-AGENDA PUBLIC COMMENT:** None.

**CONSENT AGENDA (Items 1-10):**

Tony R. Russell, Director, Corporate & Information Governance/Authority Clerk, reported that the April 6, 2017 Board minutes had been revised.

**ACTION: Moved by Board Member Desmond and seconded by Board Member Cox to approve the Consent Agenda as amended. Motion carried by the following Vote: YES – Cox, Desmond, Gleason, Robinson, Schumacher, Sessom; NO – None; ABSENT – Boling, Janney, Kersey (Weighted Vote Points: YES – 62; NO – 0; ABSENT – 38).**

**1. APPROVAL OF MINUTES:**

RECOMMENDATION: Approve the minutes of the March 10 and March 11, 2017 special meeting, March 27, 2017 special meeting and April 6, 2017 regular 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 MARCH 13, 2017 THROUGH APRIL 9, 2017 AND REAL PROPERTY AGREEMENTS GRANTED AND ACCEPTED FROM MARCH 13, 2017 THROUGH APRIL 9, 2017:**  
RECOMMENDATION: Receive the report.
4. **MAY 2017 LEGISLATIVE REPORT:**  
RECOMMENDATION: Adopt Resolution No. 2017-0039, approving the May 2017 Legislative Report.
5. **APPROVE THE FIVE-YEAR STRATEGIC PLAN:**  
RECOMMENDATION: Adopt Resolution No. 2017-0040, approving the Five-Year Strategic Plan.

### ***CLAIMS***

### ***COMMITTEE RECOMMENDATIONS***

6. **ACCEPTANCE OF THE UNAUDITED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED MARCH 31, 2017:**  
RECOMMENDATION: Accept the report.
7. **ACCEPTANCE OF THE AUTHORITY'S INVESTMENT REPORT FOR THE NINE MONTHS ENDED MARCH 31, 2017:**  
RECOMMENDATION: Accept the report.

### ***CONTRACTS AND AGREEMENTS***

8. **APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE A MEMORANDUM OF AGREEMENT WITH THE DEPARTMENT OF TRANSPORTATION FEDERAL AVIATION ADMINISTRATION:**  
RECOMMENDATION: Adopt Resolution No. 2017-0041, approving and authorizing the President/CEO to execute a Memorandum of Agreement between the Department of Transportation Federal Aviation Administration (FAA) and the San Diego County Regional Airport Authority, for a reimbursable amount not-to-exceed \$619,500 to remove and replace the existing prototype Runway Status Lighting (RWSL) system with a new RWSL at San Diego International Airport.

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

**9. AWARD A CONTRACT TO PRAVA CONSTRUCTION SERVICES, INC. FOR TERMINAL TWO EAST IMPROVEMENTS AT SAN DIEGO INTERNATIONAL AIRPORT:**

RECOMMENDATION: Adopt Resolution No. 2017-0042, awarding a contract to Prava Construction Services, Inc. in the amount of \$3,699,322.94 for Project No. 104210, Terminal Two East Improvements at San Diego International Airport.

**10. APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO AWARD PURCHASE ORDERS TO PURCHASE IT EQUIPMENT AND SUPPLIES AS NEEDED FOR REPAIR AND MAINTENANCE:**

RECOMMENDATION: Adopt Resolution No. 2017-0043, approving and authorizing the President/CEO to award purchase orders to GovConnection, Insight Public Sector, Kambrian Corporation and Questivity Inc., for a term of three years and an option for one one-year extension period at the sole discretion of the President/CEO, in a combined amount not-to-exceed \$4,800,000 for the purchase of computer equipment, software, software licensing and maintenance, hardware maintenance, peripherals, and related services.

**PUBLIC HEARINGS:** None.

**OLD BUSINESS:** None.

**NEW BUSINESS:**

**11. DISCUSSION AND POSSIBLE ACTION REGARDING ASSEMBLY BILL 805 AND ASSEMBLY BILL 1069:**

Mike Kulis, Director, Inter-Governmental Relations provided a presentation on AB 805 and AB 1069 which included Background, and Recommended Action.

Board Member Sessom stated that although SANDAG has a different funding stream, what happens with that funding stream does impact the airport in regards to access to public transportation, for instance the trolley stop and the changes the airport would like to make on Harbor Drive. She stated that AB805 is not what is best for the regional transportation system and that the airport is part of the transportation system but the Airport Authority is not currently represented at SANDAG.

Board Member Desmond expressed his disagreement with staff's recommendation on AB 805 since we are part of a regional system that is expected to work together. He stated that AB 805 would have a detrimental effect on the County's overall transportation network.

Board Member Robinson stated that the Authority getting involved with this bill is ill advised.

Board Member Cox stated that the Airport Authority is one of many regional bodies. He stated that the Board of Supervisors has taken a position in opposition to AB805 and SANDAG took the position to oppose unless amended. He stated that if the bill passes, only the City of San Diego and Chula Vista are needed to pass legislation at MTS or SANDAG. He stated that he opposes any situation where you would have domination by any one or two public agencies.

Board Member Gleason stated that the Authority's strength has been the fact that we have regional representation amongst our group and all Board Members take a pledge to represent the Authority in the interest of the community as a whole. He stated that he does not necessarily agree that AB805 does not affect the airport, being that the airport is a big part of the regional transportation network. He stated that he does not believe it is the Authority's role to pass judgement of the leadership of other organizations. He stated that a watch position is a more appropriate response.

Board Member Schumacher stated that the transportation system should be a regional view and that AB805 would further isolate cities. He stated that he understands staff's recommendation but supports the motion to oppose.

RECOMMENDATION: Adopt Resolution No. 2017-0044, adopting a WATCH position on Assembly Bill 805.

**ACTION: Moved by Board Member Desmond and seconded by Board Member Cox to adopt an OPPOSE UNLESS AMENDED position on Assembly Bill 805. Motion failed by the following Vote: YES – Cox, Desmond, Schumacher, Sessom; NO – Gleason, Robinson; ABSENT - Boling, Janney, and Kersey (Weighted Vote Points: YES – 40; NO – 22; ABSENT – 38)**

Adopt Resolution No. 2017-0045, adopting a SUPPORT IF AMENDED position on Assembly Bill 1069.

**ACTION: Moved by Board Member Gleason and seconded by Board Member Cox to approve staff's recommendation. Motion carried by the following Vote: YES – Cox, Desmond, Gleason, Robinson, Schumacher, Sessom; NO – None; ABSENT - Boling, Janney, and Kersey (Weighted Vote Points: YES – 62; NO – 0; ABSENT – 38)**

*The Board recessed at 9:59 a.m. and reconvened at 10:14 a.m.*

**CLOSED SESSION:** The Board recessed into Closed Session at 10:14 a.m. to discuss Item 20.

- 12. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION:**  
(Paragraph (1) of subdivision (d) of Cal. Gov. Code §54956.9)  
Name of Case: GGTW LLC v San Diego County Regional Airport Authority, et al., San Diego Superior Court Case No. 37-2016-00032646-CU-BC-CTL
- 13. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION:**  
(Paragraph (1) of subdivision (d) of Cal. Gov. Code §54956.9)  
Name of Case: San Diego County Regional Airport Authority v. American Car Rental, Inc., San Diego Superior Court Case No. 37-2016-00024056-CL-BC-CTL
- 14. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION:**  
(Paragraph (1) of subdivision (d) of Cal. Gov. Code §54956.9)  
Dryden Oaks, LLC v. San Diego County Regional Airport Authority, et al., San Diego Superior Court, North County, Case No. 37-2014-00004077-CU-EI-NC
- 15. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:**  
(Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Cal. Gov. Code §54956.9)  
Investigative Order No. R9-2012-0009 by the California Regional Water Quality Control Board pertaining to an investigation of bay sediments at the Downtown Anchorage Area in San Diego.  
Number of potential cases: 1
- 16. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:**  
(Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Cal. Gov. Code §54956.9)  
The Receipt of a Government Claim from Cal-a-Vie Spa  
Number of potential cases: 1
- 17. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:**  
(Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Cal. Gov. Code §54956.9)  
Navy Boat Channel Environmental Remediation  
Number of potential cases: 1
- 18. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:**  
(Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Cal. Gov. Code §54956.9)  
Number of potential cases: 2
- 19. CONFERENCE WITH LEGAL COUNSEL –ANTICIPATED LITIGATION:**  
(Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Cal. Gov. Code §54956.9)  
In re Seaport Airlines, Inc., U.S. Bankruptcy Court Case No. 16-30406-rld7  
Number of potential cases: 1

**20. CONFERENCE WITH LEGAL COUNSEL- ANTICIPATED LITIGATION:**

(Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Cal.Gov. Code §54956.9)

The Receipt of a Government Claim from Juanita Robledo

**21. CONFERENCE WITH REAL PROPERTY NEGOTIATORS AND WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:**

(Gov. Code §§54956.9(d)(e)(1) and 54954.5(b))

Property: Concession leases (food & beverage) with Host, High Flying Foods and SSP

Agency Negotiator: Scott Brickner, Kathy Kiefer and Eric Podnieks

Negotiating Parties: Host, High Flying Foods San Diego Partnership, SSP

America, Inc. and Stellar Partners, Inc.

Under negotiation: rent (price and terms of payment), closure/conversion of locations, new concession buildout, ACDBE participation, lease compliance issues, claim by Host and close outs/permits.

**REPORT ON CLOSED SESSION:** The Board reconvened into Open Session at 10:34 a.m. There was no reportable action.

**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 adjourned at 10:34 a.m.

APPROVED BY A MOTION OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY BOARD THIS 1<sup>st</sup> DAY OF JUNE, 2017.

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TONY R. RUSSELL  
DIRECTOR, CORPORATE &  
INFORMATION GOVERNANCE /  
AUTHORITY CLERK

APPROVED AS TO FORM:

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AMY GONZALEZ  
GENERAL COUNSEL

SAN DIEGO COUNTY  
REGIONAL AIRPORT AUTHORITY

Item No.  
**2**

**STAFF REPORT**

Meeting Date: **JUNE 1, 2017**

**Subject:**

**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.

**Background/Justification:**

Authority Policy 1.10 defines a “day of service” for Board Member compensation and outlines the requirements for Board Member attendance at meetings.

Pursuant to Authority Policy 1.10, Board Members are required to deliver to the Board a written report regarding their participation in meetings for which they are compensated. Their report is to be delivered at the next Board meeting following the specific meeting and/or training attended. The reports (Attachment A) were reviewed pursuant to Authority Policy 1.10 Section 5 (g), which defines a “day of service”. The reports were also reviewed pursuant to Board Resolution No. 2009-0149R, which granted approval of Board Member representation for attending events and meetings.

The attached reports are being presented to comply with the requirements of Policy 1.10 and the Authority Act.

***The Board is also being requested to pre-approve Board Member attendance at briefings by representatives of a local police department or a state or federal governmental agency regarding safety, security, immigration or customs affecting San Diego International Airport.***

**Fiscal Impact:**

Board and Committee Member Compensation is included in the FY 2017 Budget.

**Authority Strategies:**

This item supports one or more of the Authority Strategies, as follows:

- Community Strategy     Customer Strategy     Employee Strategy     Financial Strategy     Operations Strategy

**Environmental Review:**

- A. This Board action is not a project that would have a significant effect on the environment as defined by the California Environmental Quality Act (CEQA), as amended. 14 Cal. Code Regs. Section 15378. This Board action is not a "project" subject to CEQA. Pub. Res. Code Section 21065.
- B. California Coastal Act Review: This Board action is not a "development" as defined by the California Coastal Act, Pub. Res. Code Section 30106.

**Application of Inclusionary Policies:**

Not applicable.

**Prepared by:**

TONY R. RUSSELL  
DIRECTOR, CORPORATE & INFORMATION GOVERNANCE/AUTHORITY CLERK

**APRIL BOLING**

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY  
 Board Member Event/Meeting/Training Report Summary**

Period Covered: May, 2017

Directions: This Form permits Board Members to report their attendance at meetings, events, and training that qualify for "day of service" compensation pursuant to Cal. Pub. Util. Code §170017, Board Policy 1.10 and Board Resolution 2009-0149R. Unless attending a meeting held pursuant to the Brown Act, attendance must be pre-approved by the Board prior to attendance and a written report delivered at the next Board meeting. After completing this Form, please forward it to Tony Russell, Authority Clerk.

BOARD MEMBER NAME:		DATE:
C. APRIL BOLING		5/31/17
TYPE OF MEETING	DATE/TIME/LOCATION OF EVENT/MEETING/TRAINING	SUMMARY AND DESCRIPTION OF THE EVENT/MEETING/TRAINING
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre - approved <input checked="" type="checkbox"/> Res.2009-0149R	Date: May 1, 2017 Time: 5:15 pm Location: Airport	Condor Inaugural Event
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre - approved <input checked="" type="checkbox"/> Res.2009-0149R	Date: May 2, 2017 Time: 9:00 am Location: Stone Brewery Restaurant	Condor Airlines Flight Launch Event
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre - approved <input checked="" type="checkbox"/> Res.2009-0149R	Date: May 17, 2017 Time: 10:00 am Location: Airport	Federal Inspection Services (FIS) Groundbreaking Ceremony
<input checked="" type="checkbox"/> Brown Act <input type="checkbox"/> Pre - approved <input type="checkbox"/> Res.2009-0149R	Date: May 18, 2017 Time: 9:00 am Location: Airport	Budget Workshop
<input checked="" type="checkbox"/> Brown Act <input type="checkbox"/> Pre - approved <input type="checkbox"/> Res.2009-0149R	Date: May 22, 2017 Time: 9:00 am Location: Airport	Exec./Finance Committee Meeting
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre - approved <input checked="" type="checkbox"/> Res.2009-0149R	Date: May 25, 2017 Time: 5:00 pm Location: Hard Rock Hotel	SD County Taxpayers Assoc. Annual Golden Watchdog & Fleece Awards Dinner
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre - approved <input type="checkbox"/> Res.2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre - approved <input type="checkbox"/> Res.2009-0149R	Date: Time: Location:	

**I certify that I was present for at least half of the time set for each meeting, event and training listed herein.**

Signature: 

**GREG COX**

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY  
Board Member Event/Meeting/Training Report Summary**

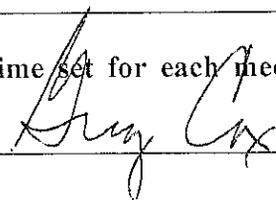
Period Covered: MAY 1-31, 2017

SDCRAA MAY 22 2017 Corporate & Information Governance
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Directions: This Form permits Board Members to report their attendance at meetings, events, and training that qualify for "day of service" compensation pursuant to Cal. Pub. Util. Code §170017, Board Policy 1.10 and Board Resolution 2009-0149R. Unless attending a meeting held pursuant to the Brown Act, attendance must be pre-approved by the Board prior to attendance and a written report delivered at the next Board meeting. After completing this Form, please forward it to Tony Russell, Authority Clerk.

BOARD MEMBER NAME:		DATE:
GREG COX		MAY 22, 2017
TYPE OF MEETING	DATE/TIME/LOCATION OF EVENT/MEETING/TRAINING	SUMMARY AND DESCRIPTION OF THE EVENT/MEETING/TRAINING
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre - approved <input type="checkbox"/> Res.2009-0149R	Date: MAY 1, 2017 Time: 9:00am Location: SDUPD	SDUPD / SDCRAA LEADERSHIP MEETING
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre - approved <input type="checkbox"/> Res.2009-0149R	Date: MAY 4, 2017 Time: 9:00am Location: SDIA	SDCRAA BOARD MEETING AIRPORT LAND USE COMMISSION MEETING
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre - approved <input type="checkbox"/> Res.2009-0149R	Date: MAY 22, 2017 Time: 9:00am Location: SDIA	EXECUTIVE / FINANCE COMMITTEE SPECIAL BOARD MEETING
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre - approved <input type="checkbox"/> Res.2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre - approved <input type="checkbox"/> Res.2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre - approved <input type="checkbox"/> Res.2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre - approved <input type="checkbox"/> Res.2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre - approved <input type="checkbox"/> Res.2009-0149R	Date: Time: Location:	

I certify that I was present for at least half of the time set for each meeting, event and training listed herein.

Signature: 

**ROBERT H. GLEASON**

SDCRAA

MAY 22 2017

Corporate &amp; Information Governance

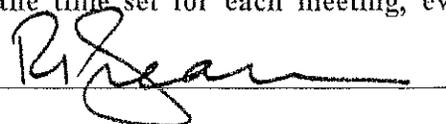
**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY**  
**Board Member Event/Meeting/Training Report Summary**  
 Period Covered: MAY 2017

Directions: This Form permits Board Members to report their attendance at meetings, events, and training that qualify for "day of service" compensation pursuant to Cal. Pub. Util. Code §170017, Board Policy 1.10 and Board Resolution 2009-0149R. Unless attending a meeting held pursuant to the Brown Act, attendance must be pre-approved by the Board prior to attendance and a written report delivered at the next Board meeting. After completing this Form, please forward it to Tony Russell, Authority Clerk.

BOARD MEMBER NAME: (Please print)		DATE OF THIS REPORT:
ROBERT H. GLEASON		May 15, 2017
TYPE OF MEETING	DATE/TIME/LOCATION OF EVENT/MEETING/TRAINING	SUMMARY AND DESCRIPTION OF THE EVENT/MEETING/TRAINING
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input checked="" type="checkbox"/> Res. 2009-0149R	Date: May 1, 2017 Time: 9:00 am Location: Port offices	Airport / Port Leadership meeting
<input checked="" type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: May 4, 2017 Time: 9:00 am Location: SDCRAA offices	ALUC / Board meeting
<input checked="" type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: May 15, 2017 Time: 10:00 am Location: SDCRAA offices	Audit Committee meeting
<input checked="" type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: May 18, 2017 Time: 10:00 am Location: SDCRAA offices	Budget Workshop
<input checked="" type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: May 22, 2017 Time: 9:00 am Location: SDCRAA offices	Executive / Finance Committee meeting
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	

I certify that I was present for at least half of the time set for each meeting, event and training listed herein.

Signature: \_\_\_\_\_



**ANDREW  
HOLLINGWORTH**

SDCRAA  
 MAY 15 2017  
 Corporate & Information Governance

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY**

**Board Member Event/Meeting/Training Report Summary**

Period Covered: MAY 15, 2017

**Directions:** This Form permits Board Members to report their attendance at meetings, events, and training that qualify for "day of service" compensation pursuant to Cal. Pub. Util. Code §170017, Board Policy 1.10 and Board Resolution 2009-0149R. Unless attending a meeting held pursuant to the Brown Act, attendance must be pre-approved by the Board prior to attendance and a written report delivered at the next Board meeting. After completing this Form, please forward it to Tony Russell, Authority Clerk.

BOARD MEMBER NAME: (Please print)		DATE OF THIS REPORT:
ANDREW HOLLINGWORTH		5-15-2017
TYPE OF MEETING	DATE/TIME/LOCATION OF EVENT/MEETING/TRAINING	SUMMARY AND DESCRIPTION OF THE EVENT/MEETING/TRAINING
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: 5-15-2017 Time: 10:00 - 12:00 Location: BOARD Room	Audit Committee Meetings
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	

I certify that I was present for at least half of the time set for each meeting, event and training listed herein.

Signature: *Andrew Hollingworth*

**MARK KERSEY**

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY  
Board Member Event/Meeting/Training Report Summary**

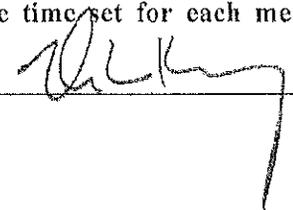
Period Covered: May 2017

SDCRAA MAY 19 2017 Corporate & Information Governance
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**Directions:** This Form permits Board Members to report their attendance at meetings, events, and training that qualify for "day of service" compensation pursuant to Cal. Pub. Util. Code §170017, Board Policy 1.10 and Board Resolution 2009-0149R. Unless attending a meeting held pursuant to the Brown Act, attendance must be pre-approved by the Board prior to attendance and a written report delivered at the next Board meeting. After completing this Form, please forward it to Tony Russell, Authority Clerk.

BOARD MEMBER NAME:		DATE:
Mark Kersey		5/19/17
TYPE OF MEETING	DATE/TIME/LOCATION OF EVENT/MEETING/TRAINING	SUMMARY AND DESCRIPTION OF THE EVENT/MEETING/TRAINING
<input checked="" type="checkbox"/> Brown Act <input type="checkbox"/> Pre - approved <input type="checkbox"/> Res.2009-0149R	Date: May 11, 2017 Time: 10:00 am Location: 3225 N Harbor Drive	Executive Personnel and Compensation Committee
<input checked="" type="checkbox"/> Brown Act <input type="checkbox"/> Pre - approved <input type="checkbox"/> Res.2009-0149R	Date: May 18, 2017 Time: 9:00 am Location: 3225 N Harbor Drive	Budget Workshop
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre - approved <input type="checkbox"/> Res.2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre - approved <input type="checkbox"/> Res.2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre - approved <input type="checkbox"/> Res.2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre - approved <input type="checkbox"/> Res.2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre - approved <input type="checkbox"/> Res.2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre - approved <input type="checkbox"/> Res.2009-0149R	Date: Time: Location:	

I certify that I was present for at least half of the time set for each meeting, event and training listed herein.

Signature: 

**PAUL ROBINSON**

SDCRAA

MAY 22 2017

Corporate &amp; Information Governance

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY  
Board Member Event/Meeting/Training Report Summary**

Period Covered: 5/31/17

Directions: This Form permits Board Members to report their attendance at meetings, events, and training that qualify for "day of service" compensation pursuant to Cal. Pub. Util. Code §170017, Board Policy 1.10 and Board Resolution 2009-0149R. Unless attending a meeting held pursuant to the Brown Act, attendance must be pre-approved by the Board prior to attendance and a written report delivered at the next Board meeting. After completing this Form, please forward it to Tony Russell, Authority Clerk.

BOARD MEMBER NAME:		DATE:
PAUL ROBINSON		5-22-17
TYPE OF MEETING	DATE/TIME/LOCATION OF EVENT/MEETING/TRAINING	SUMMARY AND DESCRIPTION OF THE EVENT/MEETING/TRAINING
<input type="checkbox"/> Brown Act <input checked="" type="checkbox"/> Pre - approved <input type="checkbox"/> Res. 2009-0149R	Date: 5/1/17 Time: 9:00 - 10:00 am Location: Port of SD	Mtg w/ Port Commission
<input checked="" type="checkbox"/> Brown Act <input type="checkbox"/> Pre - approved <input type="checkbox"/> Res. 2009-0149R	Date: 5/3/17 Time: 10:00am - 12:00p.m. Location: 2nd Flr. Conf Room	SDCRAA Advisory Comm.
<input checked="" type="checkbox"/> Brown Act <input type="checkbox"/> Pre - approved <input type="checkbox"/> Res. 2009-0149R	Date: 5/4/17 Time: 9:00 a.m. - 10:30 a.m. Location: SDCRAA BA Rm	SDCRAA Bd /ALVC Mtgs
<input checked="" type="checkbox"/> Brown Act <input type="checkbox"/> Pre - approved <input type="checkbox"/> Res. 2009-0149R	Date: 5/15/17 Time: 10:00 - 11:30 a.m. Location: SDCRAA BA Rm	SDCRAA Audit Comm. Mtg.
<input checked="" type="checkbox"/> Brown Act <input type="checkbox"/> Pre - approved <input type="checkbox"/> Res. 2009-0149R	Date: 5/22/17 Time: 9:00 a.m. - 10:30 a.m. Location: SDCRAA BA Rm	SDCRAA Exec/Finance Mtgs
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre - approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre - approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre - approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	

I certify that I was present for at least half of the time set for each meeting, event and training listed herein.

Signature: Paul Robinson

**M. SCHUMACHER**

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY  
Board Member Event/Meeting/Training Report Summary**

Period Covered: April 1st - April 30th 2017

SDCRAA MAY 08 2017 Corporate & Information Governance
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**Directions:** This Form permits Board Members to report their attendance at meetings, events, and training that qualify for "day of service" compensation pursuant to Cal. Pub. Util. Code §170017, Board Policy 1.10 and Board Resolution 2009-0149R. Unless attending a meeting held pursuant to the Brown Act, attendance must be pre-approved by the Board prior to attendance and a written report delivered at the next Board meeting. After completing this Form, please forward it to Tony Russell, Authority Clerk.

BOARD MEMBER NAME:		DATE:
Michael Schumacher		4/28/17
TYPE OF MEETING	DATE/TIME/LOCATION OF EVENT/MEETING/TRAINING	SUMMARY AND DESCRIPTION OF THE EVENT/MEETING/TRAINING
<input type="checkbox"/> Brown Act <input checked="" type="checkbox"/> Pre - approved <input type="checkbox"/> Res.2009-0149R	Date: April 13, 2017 Time: 10:00 am Location: SDCRAA Office	EPC Committee Meeting
<input type="checkbox"/> Brown Act <input checked="" type="checkbox"/> Pre - approved <input type="checkbox"/> Res.2009-0149R	Date: April 24, 2017 Time: 9:00 am Location: SDCRAA Office	Exec Committee/CIC, Special Board Meeting
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre - approved <input type="checkbox"/> Res.2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre - approved <input type="checkbox"/> Res.2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre - approved <input type="checkbox"/> Res.2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre - approved <input type="checkbox"/> Res.2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre - approved <input type="checkbox"/> Res.2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre - approved <input type="checkbox"/> Res.2009-0149R	Date: Time: Location:	

**I certify that I was present for at least half of the time set for each meeting, event and training listed herein.**

Signature: Michael Schumacher Digitally signed by Michael Schumacher  
Date: 2017.03.29 08:32:08 -07'00'

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY  
Board Member Event/Meeting/Training Report Summary**

Period Covered: May 1st - May 31st 2017

SDCRAA MAY 30 2017 Corporate & Information Governance
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**Directions:** This Form permits Board Members to report their attendance at meetings, events, and training that qualify for "day of service" compensation pursuant to Cal. Pub. Util. Code §170017, Board Policy 1.10 and Board Resolution 2009-0149R. Unless attending a meeting held pursuant to the Brown Act, attendance must be pre-approved by the Board prior to attendance and a written report delivered at the next Board meeting. After completing this Form, please forward it to Tony Russell, Authority Clerk.

BOARD MEMBER NAME:		DATE:
Michael Schumacher		5/31/17
TYPE OF MEETING	DATE/TIME/LOCATION OF EVENT/MEETING/TRAINING	SUMMARY AND DESCRIPTION OF THE EVENT/MEETING/TRAINING
<input type="checkbox"/> Brown Act <input checked="" type="checkbox"/> Pre - approved <input type="checkbox"/> Res.2009-0149R	Date: May 4, 2017 Time: 9:00 am Location: SDCRAA Office	Board Meeting
<input type="checkbox"/> Brown Act <input checked="" type="checkbox"/> Pre - approved <input type="checkbox"/> Res.2009-0149R	Date: May 11, 2017 Time: 10:00 am Location: SDCRAA Office	Executive Personnel and Compensation Committee meeting
<input type="checkbox"/> Brown Act <input checked="" type="checkbox"/> Pre - approved <input type="checkbox"/> Res.2009-0149R	Date: May 15, 2017 Time: 10:00 am Location: SDCRAA Office	Audit Committee meeting
<input type="checkbox"/> Brown Act <input checked="" type="checkbox"/> Pre - approved <input type="checkbox"/> Res.2009-0149R	Date: May 18, 2017 Time: 9:00 am Location: SDCRAA Office	SDCRAA Budget Workshop Mtg.
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre - approved <input type="checkbox"/> Res.2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre - approved <input type="checkbox"/> Res.2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre - approved <input type="checkbox"/> Res.2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre - approved <input type="checkbox"/> Res.2009-0149R	Date: Time: Location:	

**I certify that I was present for at least half of the time set for each meeting, event and training listed herein.**

Signature: Michael Schumacher Digitally signed by Michael Schumacher  
Date: 2017.03.29 08:32:08 -0700'

**DON TARTRE**

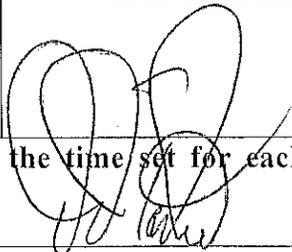
**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY**  
**Board Member Event/Meeting/Training Report Summary**  
 Period Covered: \_\_\_\_\_

SDCRAA  
 MAY 15 2017  
 Corporate & Information Governance

Directions: This Form permits Board Members to report their attendance at meetings, events, and training that qualify for "day of service" compensation pursuant to Cal. Pub. Util. Code §170017, Board Policy 1.10 and Board Resolution 2009-0149R. Unless attending a meeting held pursuant to the Brown Act, attendance must be pre-approved by the Board prior to attendance and a written report delivered at the next Board meeting. After completing this Form, please forward it to Tony Russell, Authority Clerk.

BOARD MEMBER NAME: (Please print)		DATE OF THIS REPORT:
Don Tardue		5/15-2017
TYPE OF MEETING	DATE/TIME/LOCATION OF EVENT/MEETING/TRAINING	SUMMARY AND DESCRIPTION OF THE EVENT/MEETING/TRAINING
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: 5/15-2017 Time: 10AM Location: Board Room	AC Meeting
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	

I certify that I was present for at least half of the time set for each meeting, event and training listed herein.

Signature: 

## **STAFF REPORT**

Meeting Date: **JUNE 1, 2017**

### **Subject:**

**Awarded Contracts, Approved Change Orders from April 10, 2017 through May 7, 2017 and Real Property Agreements Granted and Accepted from April 10, 2017 through May 7, 2017**

### **Recommendation:**

Receive the Report.

### **Background/Justification:**

Policy Section Nos. 5.01, Procurement of Services, Consulting, Materials, and Equipment, 5.02, Procurement of Contracts for Public Works, and 6.01, Leasing Policy, require staff to provide a list of contracts, change orders, and real property agreements that were awarded and approved by the President/CEO or her designee. Staff has compiled a list of all contracts, change orders (Attachment A) and real property agreements (Attachment B) that were awarded, granted, accepted, or approved by the President/CEO or her designee since the previous Board meeting.

### **Fiscal Impact:**

The fiscal impact of these contracts and change orders are reflected in the individual program budget for the execution year and on the next fiscal year budget submission. Amount to vary depending upon the following factors:

1. Contracts issued on a multi-year basis; and
2. Contracts issued on a Not-to-Exceed basis.
3. General fiscal impact of lease agreements reflects market conditions.

The fiscal impact of each reported real property agreement is identified for consideration on Attachment B.

### **Authority Strategies:**

This item supports one or more of the Authority Strategies, as follows:

- Community Strategy     Customer Strategy     Employee Strategy     Financial Strategy     Operations Strategy

**Environmental Review:**

- A. CEQA: This Board action is not a project that would have a significant effect on the environment as defined by the California Environmental Quality Act ("CEQA"), as amended. 14 Cal. Code Regs. §15378. This Board action is not a "project" subject to CEQA. Cal. Pub. Res. Code §21065.
- B. California Coastal Act Review: This Board action is not a "development" as defined by the California Coastal Act. Cal. Pub. Res. Code §30106.

**Application of Inclusionary Policies:**

Inclusionary Policy requirements were included during the solicitation process prior to the contract award.

**Prepared by:**

JANA VARGAS  
DIRECTOR, PROCUREMENT

**Attachment "A"**

**AWARDED CONTRACTS AND CHANGE ORDERS SIGNED BETWEEN April 10, 2017 - May 7, 2017**

**New Contracts**

<b>Date Signed</b>	<b>CIP #</b>	<b>Company</b>	<b>Description</b>	<b>Solicitation Method</b>	<b>Owner</b>	<b>Contract Value</b>	<b>End Date</b>
4/14/2017		Ace Parking Management Inc. Db SAS Access Systems	The Contractor will replace outdated equipment and provide integration services for Ground Transportation improvements at Terminal 1 parking at San Diego International Airport. SAS is the only authorized service provider in San Diego for the revenue control system used at the parking lot booths and is therefore required to perform the work to maintain existing warranties.	Sole Source	Ground Transportation	\$140,000.00	4/10/2018
4/19/2017		New Mindful Life, A Professional Psychological Corporation	The Contractor will provide meditation services for special programming in the Reflection Room at San Diego International Airport.	Informal RFP	Vision, Voice & Engagement	\$2,500.00	6/17/2017
4/19/2017		Spinitar	The Contractor will provide professional audio-visual system equipment maintenance and repair services at San Diego County Regional Airport Authority.	Informal RFP	Corporate & Information Governance	\$47,408.00	4/30/2020
4/19/2017		Brady Worldwide, Inc.	The Contractor will provide services for a Confined Space Program as required by Cal/OSHA at San Diego County Regional Airport Authority.	Informal RFP	Risk Management	\$49,000.00	4/23/2018
4/28/2017		Audio Associates of San Diego	The Contractor will provide services to upgrade the current paging system within Terminal 1, Terminal 2 East and Terminal 2 West at San Diego International Airport. Audio Associates of San Diego is the only local company certified by IED, and authorized to maintain the Airport's Public paging system.	Sole Source	Information Technology	\$923,127.24	3/31/2018
5/3/2017		Bruel & Kjaer EMS Inc.	The Contractor will provide maintenance and support of existing Airport Noise and Operations Monitoring Systems (ANOMS) at San Diego County Regional Airport Authority. The hardware and software installed in (ANOMS) are proprietary to Bruel and Kjaer and to replace it with a new system would not be in the best interest of the Authority.	Sole Source	Airport Noise Mitigation & QHP	\$167,000.00	4/30/2018

**Attachment "A"****AWARDED CONTRACTS AND CHANGE ORDERS SIGNED BETWEEN April 10, 2017 - May 7, 2017****New Contracts Approved by the Board**

<b>Date Signed</b>	<b>CIP #</b>	<b>Company</b>	<b>Description</b>	<b>Solicitation Method</b>	<b>Owner</b>	<b>Contract Value</b>	<b>End Date</b>
4/19/2017	104194	Thyssenkrupp Airport Systems, Inc.	The contract was approved by the Board at the January 5, 2017 Board Meeting. The Contractor will Replace and Refurbish Passenger Boarding Bridges at San Diego International Airport.	RFB	Facilities Development	\$1,250,024.95	10/3/2017
4/19/2017		Aaron T Stephan	The contract was approved by the Board at the April 6, 2017 Board Meeting. The Contractor will design and fabricate the Artwork "Federal Inspection Services Facility, Public Art Projects, Atrium Suspended Artwork" at San Diego International Airport.	RFQ	Vision, Voice & Engagement	\$275,000.00	10/31/2018
5/3/2017		Vasquez Construction Company	The contract was approved by the Board at the November 16, 2016 Board Meeting. The Contractor will Construct Concessionaries and Janitorial Wash Areas at San Diego International Airport.	RFB	Facilities Development	\$185,388.00	8/20/2017
5/3/2017		P2S Engineering, Inc.	The contract was approved by the Board at the April 6, 2017 Board Meeting. The Contractor will provide Engineering Consulting Services for Central Utility Plant Optimization and Site Utilities Integration at San Diego International Airport.	RFQ	Facilities Management	\$5,000,000.00	4/30/2020

**Attachment "A"**

**AWARDED CONTRACTS AND CHANGE ORDERS SIGNED BETWEEN April 10, 2017 - May 7, 2017**

**Amendments and Change Orders**

Date Signed	CIP #	Company	Description of Change	Owner	Previous Contract Amount	Change Order Value (+ / -)	Change Order Value ( % ) (+ / -)	New Contract Value	New End Date
4/12/2017		ETA Transit	The First Amendment revises Exhibit B, Compensation and Payment Schedule and Attachment B-1 ETA Systems List of Material. There is no increase in total compensation.	Ground Transportation	\$170,000.00	\$0.00	0%	\$170,000.00	3/30/2021
4/20/2017		Pacific Rim Mechanical	The First Amendment increases the total maximum compensation by \$322,972 for preventative maintenance services for additional HVAC control equipment and for additional services in support of the Parking Plaza and FIS project at San Diego International Airport.	Facilities Management	\$8,074,308.00	\$322,972.00	4%	\$8,397,280.00	3/31/2018

**Attachment "A"**

**AWARDED CONTRACTS AND CHANGE ORDERS SIGNED BETWEEN April 10, 2017- May 7, 2017**

**Amendments and Change Orders Approved by the Board**

Date Signed	CIP #	Company	Description of Change	Owner	Previous Contract Amount	Change Order Value (+ / -)	Change Order Value ( % ) (+ / -)	New Contract Value	New End Date
4/29/2017		Best Best & Krieger	The Second Amendment was approved by the Board on April 6, 2017. The Second Amendment extends the term of the contract by one year and increases the total maximum compensation by \$200,000 to support existing legal services at San Diego County Regional Airport Authority.	General Counsel	\$600,000.00	\$200,000.00	33%	\$800,000.00	7/14/2018

## Attachment "B"

REAL PROPERTY AGREEMENTS EXECUTED FROM APRIL 10, 2017 through MAY 7, 2017

**Real Property Agreements**

Begin/End Dates	Authority Doc. #	Tenant/Company	Agreement Type	Property Location	Use	Property Area (s.f)	Consideration	Comments
1.1.16 to 12.31.20	LE-0905	Metropolitan Transit System	Use & Occupancy Permit	T1 and T2	Public Transit Ticketing Machines	Each machines occupies 10 SF	None	N/A

**Real Property Agreement Amendments and Assignments**

Effective Date	Authority Doc. #	Tenant/Company	Agreement Type	Property Location	Use	Property Area (s.f)	Consideration	Comments
5/16/2017	LE-0715	Landmark Aviation GSO-SAN, LLC, d/b/a Signature Flight Support	Second Amendment to Non-Exclusive License Agreement to Conduct Commercial Aviation Ground Handling and Support Services	San Diego International Airport	Commercial Aviation Ground Handling and Support Services	N/A	Greater of Either (a) \$250 or (b) 8% of Monthly Gross Income	N/A
4/19/2017	LE-0657	Host International, Inc.	Fourth Amendment to Concession Lease Package 1	San Diego International Airport	Operation of a Food and Beverage Concession	N/A	The greater of the Minimum Annual Guarantee or 13% of Gross Receipts for food & non-alcohol and 16% of Gross Receipts for alcoholic beverages	Amendment to reflect close-out and as-built conditions of the Concession Premises as described in "Exhibit A", reflect new ACDBE participation plan and executed Joint Venture Agreement and clarify the mid-term refurbishment period.
4/19/2017	LE-0658	Host International, Inc.	Third Amendment to Concession Lease Package 2	San Diego International Airport	Operation of a Food and Beverage Concession	N/A	The greater of the Minimum Annual Guarantee or 13% of Gross Receipts for food & non-alcohol and 16% of Gross Receipts for alcoholic beverages	Amendment to reflect close-out and as-built conditions of the Concession Premises as described in "Exhibit A", reflect new ACDBE participation plan in "Exhibit H" and clarify the mid-term refurbishment period.
4/19/2017	LE-0648	Stellar Partners, Inc.	Fourth Amendment to Concession Lease Package 4	San Diego International Airport	Operation of a News & Gift and Specialty Retail Concession	N/A	The greater of the Minimum Annual Guarantee or 15% of Gross Receipts up to \$5,000,000, 16% of Gross Receipts between \$5,000,001 and \$7,000,000 and 17% of Gross Receipts over \$7,000,001	Amendment to reflect close-out and as-built conditions of the Concession Premises as described in "Exhibit A", reflect new ACDBE participation plan in "Exhibit H" and clarify the mid-term refurbishment period.
4/1/2017	LE-0926	Department of Homeland Security (TSA)	TSA Utility Reimbursement (for electricity)	San Diego International Airport	Reimbursement Agreement for Electricity Used at TSA Screening	N/A	N/A	N/A

## **STAFF REPORT**

Meeting Date: **JUNE 1, 2017**

### **Subject:**

**June 2017 Legislative Report**

### **Recommendation:**

Adopt Resolution No. 2017-0046, approving the June 2017 Legislative Report.

### **Background/Justification:**

The Authority's Legislative Advocacy Program Policy requires that staff present the Board with monthly reports concerning the status of legislation with potential impact to the Authority. The Authority Board provides direction to staff on legislative issues by adoption of a monthly Legislative Report (Attachment A). The June 2017 Legislative Report updates Board members on legislative activities that have taken place since the previous Board meeting. In directing staff, the Authority Board may take a position on pending or proposed legislation that has been determined to have a potential impact on the Authority's operations and functions.

### **State Legislative Action**

The Authority's legislative team recommends that the Board adopt a WATCH position on AB 302 (Gipson). AB 302 would authorize the governing board of the South Coast Air Quality Management District to require operators of public and commercial fleets consisting of more than one vehicle to transition to zero and near-zero emission technologies.

State Legislators have until June 2, 2017, to approve bills out of the house of origin.

### **Federal Legislative Action**

The Authority's legislative team does not recommend that the Board adopt any new positions on federal legislation.

On May 16, 2017, the U.S. Senate confirmed Jeffrey Rosen to serve as Deputy Secretary of the Department of Transportation.

### **Fiscal Impact:**

Not applicable.

### **Authority Strategies:**

This item supports one or more of the Authority Strategies, as follows:

- Community Strategy     Customer Strategy     Employee Strategy     Financial Strategy     Operations Strategy

**Environmental Review:**

A. CEQA: This Board action is not a project that would have a significant effect on the environment as defined by the California Environmental Quality Act ("CEQA"), as amended. 14 Cal. Code Regs. §15378. This Board action is not a "project" subject to CEQA. Cal. Pub. Res. Code §21065.

B. California Coastal Act Review: This Board action is not a "development" as defined by the California Coastal Act. Cal. Pub. Res. Code §30106.

**Application of Inclusionary Policies:**

Not applicable.

**Prepared by:**

MICHAEL KULIS  
DIRECTOR, INTER-GOVERNMENTAL RELATIONS

RESOLUTION NO. 2017-0046

A RESOLUTION OF THE BOARD OF THE SAN DIEGO  
COUNTY REGIONAL AIRPORT AUTHORITY APPROVING  
THE JUNE 2017 LEGISLATIVE REPORT

WHEREAS, the San Diego County Regional Airport Authority (“Authority”) operates San Diego International Airport and plans for necessary improvements to the regional air transportation system in San Diego County, including serving as the responsible agency for airport land use planning within the County; and

WHEREAS, the Authority has a responsibility to promote public policies consistent with the Authority’s mandates and objectives; and

WHEREAS, Authority staff works locally and coordinates with legislative advocates in Sacramento and Washington, D.C. to identify and pursue legislative opportunities in defense and support of initiatives and programs of interest to the Authority; and

WHEREAS, under the Authority’s Legislative Advocacy Program Policy, the Authority Board provides direction to Authority staff on pending legislation; and

WHEREAS, the Authority Board, in directing staff, may adopt positions on legislation that has been determined to have a potential impact on the Authority’s operations and functions.

NOW, THEREFORE, BE IT RESOLVED that the Board hereby approves the June 2017 Legislative Report (“Attachment A”); and

BE IT FURTHER RESOLVED that the Board ~~is~~ that this action is not a “project” as defined by the California Environmental Quality Act (“CEQA”) (Cal. Pub. Res. Code § 21065); and is not a “development” as defined by the California Coastal Act (Cal. Pub. Res. Code § 30106).

PASSED, ADOPTED, AND APPROVED by the Board of the San Diego County Regional Airport Authority at a regular meeting this 1st day of June, 2017, by the following vote:

AYES: Board Members:

NOES: Board Members:

ABSENT: Board Members:

ATTEST:

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TONY RUSSELL  
DIRECTOR, CORPORATE  
& INFORMATION GOVERNANCE/  
AUTHORITY CLERK

APPROVED AS TO FORM:

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AMY GONZALEZ  
GENERAL COUNSEL

**June 2017 Legislative Report**

**Local Legislation**

**Legislation/Topic**

**City of San Diego Drone Ordinance**

**Background/Summary**

The purpose of this proposed ordinance is to address the potential hazard of unmanned aircraft systems (UAS), commonly referred to as drones, to other aircraft in flight, persons on the ground, and critical infrastructure. Specifically, this proposed ordinance codifies on a local level regulations similar to those of the Federal Aviation Administration. This ordinance makes it unlawful within the City of San Diego to operate a UAS in the air, on the ground or on the water:

- In a careless or reckless manner that endangers the life or property of another
- In violation of any flight restriction, temporary or permanent, issued by the Federal Aviation Administration (FAA)
- In violation of any restriction issued by the FAA applicable to UAS; or
- In a manner that interferes with law enforcement, firefighting, or any government emergency operations

Violations of this ordinance may be prosecuted as misdemeanors

**Anticipated Impact/Discussion**

This ordinance could benefit San Diego International Airport (SDIA) by providing local law enforcement officials with the enforcement authority to deter unsafe UAS operations within the City of San Diego.

**Status:** 4/10/17 – Unanimously passed by City Council

**Position:** Support (4/21/16)

*\*Shaded text represents new or updated legislative information*

## State Legislation

### New Assembly Bills

#### Legislation/Topic

**AB 302 (Gipson) – South Coast Air Quality Management District: fleets**

#### Background/Summary

AB 302 would authorize the governing board of the South Coast Air Quality Management District (SCAQMD) to adopt rules and regulations that require specified operators of public and commercial fleet vehicles consisting of one or more vehicles to purchase zero emission and near-zero emission vehicles, and further require that those zero-emission and near-zero emission vehicles to be operated to the fullest extent possible in the south coast district.

#### Anticipated Impact/Discussion

San Diego International Airport (SDIA), is not within the jurisdiction of the SCAQMD, therefore this bill would not directly impact our operations. However, the Authority's legislative team is concerned that if enacted, AB 302 could create difficult and costly requirements for fleet operators because there are no zero or near-zero emission versions for some airport off-road equipment.

**Status:** 5/8/17 – In Assembly Committee on Transportation

**Position:** Watch

### Assembly Bills from Previous Report

#### Legislation/Topic

**AB 1 (Frazier) – Transportation Funding**

#### Background/Summary

AB 1 would create the Road Maintenance and Rehabilitation Program and a corresponding account in the State Transportation Fund to address deferred maintenance on state highways and local roadways. Revenues for this new program would be generated from increases in motor vehicle fuel sales and excise taxes and increases in vehicle registration fees, including a new \$165 annual fee for zero-emission motor vehicles. The increases in sales and excise taxes would be adjusted for inflation every three years based on the California Consumer Price Index. This bill would also create an independent Office of the Transportation Inspector General to ensure that all state agencies expending transportation funds operate efficiently and comply with federal and state laws. In addition, AB 1 would expand the list of projects eligible for funding under the Trade Corridors Improvement Fund to include freight access improvements to airports.

*\*Shaded text represents new or updated legislative information*

**Anticipated Impact/Discussion**

Although this bill would not directly impact San Diego International Airport (SDIA), its passage could provide additional funding opportunities for highway and roadway improvements in close proximity to SDIA.

**Status:** 12/5/16 – Introduced in Assembly and referred to Assembly Committee on Transportation and Assembly Committee on Natural Resources

**Position:** Watch (1/5/17)

**Legislation/Topic**

**AB 5 (Gonzalez) – Employers: Opportunity to Work Act**

**Background/Summary**

AB 5 would create the Opportunity to Work Act, requiring an employer with 10 or more employees to offer additional hours of work to an existing nonexempt employee before the employer hires an additional employee or subcontractor, except as specified. Employers would not be required to offer an employee additional work hours if it would require the employer to pay overtime compensation. AB 5 also would require an employer to post a notice of employee rights, and would require the employer to maintain certain employment documentation. The bill would authorize an employee to file a complaint for violation of these provisions, and/or bring a civil action for remedies under the act.

**Anticipated Impact/Discussion**

Because all Airport Authority employees are hired as full-time employees, and this bill would not require employers to offer additional hours if it would result in overtime pay, AB 5 would have no practical effect on the Authority.

**Status:** 4/20/17 – Passed in Assembly Committee on Appropriations on a vote of 5-2 and re-referred to Assembly Committee on Appropriations

**Position:** Watch (2/2/17)

**Legislation/Topic**

**AB 92 (Bonta) – Public contracts: payment**

**Background/Summary**

Under current law, public entities are authorized to withhold retention proceeds in excess of five percent for projects considered substantially complex. This authority is set to expire on January 1, 2018. AB 92 would extend this authority for five years, establishing a new expiration date of January 1, 2023.

*\*Shaded text represents new or updated legislative information*

### **Anticipated Impact/Discussion**

This bill will continue the Airport Authority's ability to withhold retention proceeds in excess of five percent for substantially complex projects should it choose to do so.

**Status:** 5/4/17 – Read first time and sent to Senate Rules Committee for assignment

**Position:** Watch (2/2/17)

### **Legislation/Topic**

**AB 218 (Bonta) – Local Agencies: airports: customer facility charges**

### **Background/Summary**

Current law specifies that the authorization for an airport to impose a customer facility charge (CFC) becomes inoperative when the bonds used for financing a vehicle rental facility are paid. This bill until January 1, 2023, would delete the requirement that the authorization for an airport to impose a customer facility charge become inoperative when the bonds are paid. AB 218 would also require that the fee not exceed \$10 and would prevent a customer from paying more than one customer facility charge in connection with a single rental.

### **Anticipated Impact/Discussion**

This legislation was introduced to allow Oakland International Airport to impose CFCs even though it has not yet incurred debt for a rental car facility. However, AB 218 would also allow all other California airports to require the collection of CFCs regardless of whether or not bonds used to finance the construction of a rental car center or improvements to a rental car center are retired.

**Status:** 5/10/17 – Referred to Senate Committee on Judiciary  
3/30/17 – Passed in the Assembly by vote of 74-0

**Position:** Support (3/2/17)

### **Legislation/Topic**

**AB 483 (Bocanegra) – Airports: pollution**

### **Background/Summary**

AB 483, would require that the following actions be taken at certain noncommercial general aviation airports located within California Environmental Protection Agency designated disadvantaged communities:

- The Department of Toxic Substances Control (DTSC) will conduct soil sample testing to determine the presence of hazardous waste
- The DTSC will coordinate with the State Water Resources Control Board and other appropriate local agencies to determine if an airport poses a threat to the groundwater basin based on the soil testing results

*\*Shaded text represents new or updated legislative information*

- The DTSC will report testing findings to the Legislature and post the report on the department's website.
- The Air Resources Board (ARB), in coordination with local districts will require airports to test the air quality to determine the airport's impact on air pollution and climate policy targets
- Airports are also required to collect their air quality testing data in real time and submit a quarterly report to ARB and the appropriate district.
- ARB and the local districts will compile the air quality testing data in an annual public report that details the public health impacts of the pollutants

**Anticipated Impact/Discussion**

Although this bill would not directly impact San Diego International Airport (SDIA), its passage would create an unfunded mandate for certain general aviation airports to test air quality impacts, and require the State to conduct soil testing at these airports. Staff plans to monitor this bill to ensure that this mandate is not expanded to commercial airports.

**Status:** 4/4/17 – Passed by Assembly Committee on Natural Resources by vote of 7-1 and re-referred to Assembly Committee on Environmental Safety and Toxic Materials

**Position:** Watch (5/4/17)

**Legislation/Topic**

**AB 496 (Fong) – Transportation Funding**

**Background/Summary**

AB 496 would create the Traffic Relief and Road Improvement Program and a corresponding account in the State Transportation Fund to provide funding for the maintenance and rehabilitation of state highways and local roadways.

**Anticipated Impact/Discussion**

Although this bill would not directly impact San Diego International Airport (SDIA), its passage could provide additional funding opportunities for highway and roadway improvements in close proximity to SDIA.

**Status:** 3/1/17 – Amended and re-referred to Assembly Committee on Transportation

**Position:** Watch (4/6/17)

*\*Shaded text represents new or updated legislative information*

## **Legislation/Topic**

### **AB 1069 (Low) – Local Government: taxicab transportation services**

## **Background/Summary**

AB 1069 would authorize changes to be implemented by local governments in their regulation of taxicab transportation services. Specific changes include:

- Repeals existing law requiring both cities and counties to regulate taxicab transportation services and instead only require counties to regulate these services
- Authorizes a county to enter into an agreement with the most populated city in a county that regulates taxicabs to perform the taxicab-related responsibilities of the county
- Requires a county to provide that taxicab drivers pass a criminal background check using a live scan fingerprint provider
- Prohibits a county from limiting or prohibiting a licensed taxicab transportation service from setting rates or fares or charging a flat rate
- Requires a county to ensure that any charge imposed on a taxicab transportation service does not exceed the reasonable regulatory cost of administering and enforcing a taxicab program established by the county
- Authorizes a licensed taxicab company to use any device or technology approved by the state to calculate fares
- Requires a licensed taxicab company to disclose fares, fees, or rates to customers before the customer accepts a ride and to post rates for walkup rides and street hails in the vehicle
- Requires a city or county to issue inspection stickers to compliant taxicabs and issue a photo permit to taxicab drivers
- Authorizes a county to accept a taxi permit issued by another county as valid
- Prohibits the operation of a taxicab without a valid certificate, license, or permit

## **Anticipated Impact/Discussion**

The amended version of AB 1069 would also authorize a city or county to adopt an ordinance, resolution, or charter provision to regulate access to airports by taxicabs, potentially impacting San Diego International Airport (SDIA) operations if enacted into law. The Board adopted a SUPPORT IF AMENDED position on AB 1069 and directed staff to work with the California Airports Council and the author of this legislation to ensure that the Authority's ability to regulate taxicab access to SDIA is maintained.

**Status:** 4/27/17 – Approved by Assembly Committee on Communications and Conveyance on a vote of 12-0 and referred to Assembly Committee on Appropriations

**Position:** Support if Amended (5/4/17)

*\*Shaded text represents new or updated legislative information*

**Legislation/Topic**

**AB 1286 (Friedman) – Airports: alternative customer facility charges**

**Background/Summary**

AB 1286 would eliminate the current requirement that airports interested in collecting an alternative (daily) customer facility charge initiate a process to obtain collection authority by January 1, 2018 and extends that deadline to January 1, 2025.

**Anticipated Impact/Discussion**

This bill would not impact San Diego International Airport (SDIA) as the Airport Authority has already commenced the collection of the alternative (daily) customer facility charge (CFCs).

**Status:** 5/10/17 – Referred to Senate Committee on Judiciary  
4/19/17 – Approved by Assembly on a vote of 75-0 and ordered to the Senate

**Position:** Watch (4/6/17)

**Legislation/Topic**

**AB 1333 (Dababneh) – Political Reform Act of 1974: local government agency notices**

**Background/Summary**

AB 1333 would require every local government agency that maintains an internet web site to prominently post on its site, a notice of any upcoming election in which voters will vote on a tax measure or proposed bond issuance of the agency. The bill would also require every local government agency that publishes an electronic newsletter to include such notices in their electronic newsletter.

**Anticipated Impact/Discussion**

This bill would not directly impact San Diego International Airport (SDIA), as the Airport Authority issues revenue bonds that do not require voter approval.

**Status:** 4/20/17 – Passed in Assembly Committee on Appropriations by a vote of 6-2 and referred to the suspense file

**Position:** Watch (4/6/17)

*\*Shaded text represents new or updated legislative information*

**Legislation/Topic**

**AB 1581 (Obernolte) – Charter-party carriers: transportation of passengers for compensation**

**Background/Summary**

AB 1581 is a placeholder (spot bill) that would make changes to the Passenger Charter-party Carriers' Act.

**Anticipated Impact/Discussion**

The Authority's legislative team will closely monitor the development of this bill language for any potential impact to San Diego International Airport (SDIA).

**Status:** 2/17/17 – Introduced in Assembly

**Position:** Watch (4/6/17)

**New Senate Bills**

No new Senate bills to report.

**Senate Bills from Previous Report**

**Legislation/Topic**

**SB 1 (Beall) – Transportation Funding**

**Background/Summary**

SB 1 would create the Road Maintenance and Rehabilitation Program and a corresponding account in the State Transportation Fund to address deferred maintenance on state highways and local roadways. Revenues for this new program would be generated from increases in motor vehicle fuel sales and excise taxes and increases in vehicle registration fees, including a new \$100 annual fee for zero-emission motor vehicles. The increases in sales and excise taxes would be adjusted for inflation every three years based on the California Consumer Price Index. This bill would also create an independent Office of the Transportation Inspector General to ensure that all state agencies expending transportation funds operate efficiently and comply with federal and state laws. In addition, AB 1 would expand the list of projects eligible for funding under the Trade Corridors Improvement Fund to include freight access improvements to airports.

**Anticipated Impact/Discussion**

Although this bill would not directly impact San Diego International Airport (SDIA), its enactment could provide additional funding opportunities for highway and roadway improvements in close proximity to SDIA.

**Status:** 4/28/17 – Approved by the Governor and Chaptered by the Secretary of State

*\*Shaded text represents new or updated legislative information*

**Position:** Watch (1/5/17)

**Legislation/Topic**

**SB 4 (Mendoza) – Goods Movement and Clean Trucks Bond Act**

**Background/Summary**

Subject to statewide voter approval in June 2018, SB 4 would authorize \$600 million in state general obligation bonds to be allocated as follows:

- \$200 million to the California Transportation Commission for projects eligible for funding from the Trade Corridors Improvement Fund
- \$200 million to the State Air Resources Board for projects and programs consistent with the Goods Movement Emission Reduction Program
- \$200 million to the State Air Resources Board for projects and programs to expand the use of zero and near-zero emission trucks in extreme nonattainment areas for ozone and particulate matter

SB 4 would also expand the list of projects eligible for funding from the Trade Corridors Improvement Fund to include landside freight access improvements to airports.

**Anticipated Impact/Discussion**

Although SB 4 could provide additional funding opportunities for transportation projects, including landside freight access improvements to airports, the Authority's legislative team plans to work with the author of this bill, San Diego delegation members, and the California Airports Council to enhance SDIA's ability to compete for funds should voters approve this ballot measure in 2018. Currently, language included in this initial version of SB 4 would prevent the San Diego Association of Governments and other public agencies in San Diego County from nominating transportation improvement projects that would be financed from the \$360 million in Trade Corridors Investment Fund-related bond funds. Authority staff has begun discussions with SANDAG and other local government agencies in an effort to identify potential changes to this bill.

**Status:** 4/19/17 – Passed by Senate Committee on Governance and Finance by a vote of 5-1, referred to Senate Committee on Appropriations, and placed on suspense file

**Position:** Watch (1/5/17)

*\*Shaded text represents new or updated legislative information*

### **Legislation/Topic**

#### **SB 21 (Hill) – Law Enforcement Agencies: surveillance: policies**

### **Background/Summary**

SB 21 would require that beginning July 1, 2018, public agencies must submit to their governing bodies at a public meeting, a proposed plan for the use of each type of surveillance technology used and type of information collected for law enforcement purposes.

### **Anticipated Impact/Discussion**

The Authority's legislative team will closely work with the Authority's security staff to identify any potential impact to San Diego International Airport (SDIA).

**Status:** 3/21/17 – Passed by Senate Committee on Public Safety on a vote of 4-2  
4/17/17 – Amended and referred to Senate Committee on Judiciary and placed on suspense file

**Position:** Watch (5/4/17)

### **Legislation/Topic**

#### **SB 31 (Lara) – California Religious Freedom Act: state agencies: disclosure of religious affiliation information**

### **Background/Summary**

Current law prohibits a state agency from including a question regarding an applicant's race, sex, marital status, or religion in any application form for employment. This bill would prohibit a state or local agency or a public employee acting under color of law from providing or disclosing to the federal government personally identifiable information regarding a person's religious beliefs, practices, or affiliation, as specified, when the information is sought for compiling a database of individuals based on religious belief, practice or affiliation, national origin, or ethnicity for law enforcement or immigration purposes.

### **Anticipated Impact/Discussion**

SB 31 would not directly impact San Diego International Airport (SDIA), as the Authority's Talent, Culture and Capability department does not currently share these categories of protected information with external agencies.

**Status:** 4/3/17 – Passed in the Senate by vote of 36-0 and ordered to the Assembly

**Position:** Watch (3/2/17)

*\*Shaded text represents new or updated legislative information*

**Legislation/Topic**  
**SB 54 (De Leon) – Law enforcement: sharing data**

**Background/Summary**

Current law provides that when there is reason to believe that a person arrested for a violation of specified controlled substance provisions may not be a citizen of the United States, the arresting agency shall notify the appropriate agency of the United States having charge of deportation matters. This bill would repeal those provisions. This bill would also prohibit state and local law enforcement officials from detaining individuals for suspected immigration violations.

**Anticipated Impact/Discussion**

Although this bill would not directly impact San Diego International Airport (SDIA), its passage could impact the operations of Harbor Police or other law enforcement agencies operating at SDIA.

**Status:** 4/3/17 – Passed in the Senate by vote of 27-12 and ordered to the Assembly

**Position:** Watch (3/2/17)

**Legislation/Topic**  
**SB 450 (Hertzberg) – Public Bodies: bonds: public notice**

**Background/Summary**

SB 450 would require that prior to authorizing the issuance of bonds with terms greater than 13 months, the governing bodies of public agencies must hold a public meeting to disclose specified information. The bill would require that the information be obtained as a good faith estimate from an underwriter, financial advisor, private lender or third party borrower.

**Anticipated Impact/Discussion**

The Authority Board holds public meetings disclosing information about authorized bond issuances. Prior to the recent amendments to the bill, its passage could have created a requirement that the Authority Board disclose information that is not known prior to authorized bonds reaching the market.

**Status:** 4/19/17 – Passed by Senate Committee on Governance and Finance by a vote of 7-0 and ordered to third reading in the Senate

**Position:** Watch (4/6/17)

*\*Shaded text represents new or updated legislative information*

**Legislation/Topic**  
**SB 686 (Wilk) – Public Contracts: claim resolution**

**Background/Summary**

SB 686 would require that a public entity conduct a “meet and confer” conference within 30 days of receipt of demand from a claimant for resolution of a dispute related to public works projects.

**Anticipated Impact/Discussion**

This bill isn't expected to have an impact on San Diego International Airport's (SDIA) prevailing wage processes. Implementation of progress payment withholding for non-compliance, is performed per established regulations. Because SDIA is not a certified compliance agency, unresolved contractors claims are forwarded to the Department of Labor Standards Enforcement who will impose applicable fines and penalties specific to the violation(s).

**Status:** 3/9/17 – Referred to Senate Committee on Judiciary

**Position:** Watch (4/6/17)

**Legislation/Topic**  
**SB 775 (Wieckowski) – California Global Warming Solutions Act of 2006:  
greenhouse gas emissions reduction**

**Background/Summary**

SB 775 would add local agencies to the list of entities that the State Air Resources Board has to consult with in order to identify the most effective strategies and methods to reduce greenhouse gases, manage greenhouse gas control programs, and facilitate the development of integrated and cost-effective regional, national, and international greenhouse gas reduction programs.

**Anticipated Impact/Discussion**

Although this bill would not directly impact San Diego International Airport (SDIA), its passage could provide additional opportunities for SDIA to play a greater role in shaping regional, national and international environmental policy.

**Status:** 3/9/17 – Referred to Senate Committee on Environmental Quality

**Position:** Watch (4/6/17)

*\*Shaded text represents new or updated legislative information*

## Federal Legislation

### New House Bills

No new House bills to report.

### House Bills from Previous Report

#### Legislation/Topic

**H.R. 598 (Lynch) – Airplane Impacts Mitigation Act of 2017**

#### Background/Summary

H.R. 598, the “Airplane Impacts Mitigation Act of 2017”, would require the Federal Aviation Administration (FAA) to enter into an agreement with an eligible institution of higher education to conduct a study of the health impacts of airplane flights on residents exposed to a range of noise and air pollution levels from flights. The study is directed to:

- Focus on residents in Boston, Chicago, New York, the northern California Metroplex, Phoenix, and not more than three additional metropolitan areas each containing an international airport.
- Consider the health impacts on residents living partly, or entirely within the land underneath the flight paths most frequently used by aircraft flying below 10,000 feet.
- Consider only the health impacts that manifest during the physical implementation of the NextGen program on flights departing from or arriving to an international airport located in one of the designated metropolitan areas.

#### Anticipated Impact/Discussion

Although this bill is not expected to directly impact operations at San Diego International Airport (SDIA), the information collected by the study may be useful in helping the Authority accurately describe any environmental and health impacts of the FAA’s recently implemented NextGen program.

**Status:** 1/20/17 – Introduced in the House and referred to the House Committee on Transportation and Infrastructure

**Position:** Support (3/2/17)

*\*Shaded text represents new or updated legislative information*

### **Legislation/Topic**

#### **H.R. 665 (Keating) – Airport Perimeter and Access Control Security Act of 2017**

### **Background/Summary**

H.R. 665, the “Airport Perimeter and Access Control Security Act of 2017,” would direct the Transportation Security Administration (TSA) to update:

- The Transportation Sector Security Risk Assessment for the aviation sector
- The Comprehensive Risk Assessment of Perimeter and Access Control Security for airports (as well as conduct a system-wide assessment of airport access control points and airport perimeter security)
- The 2012 National Strategy for Airport Perimeter and Access Control Security

### **Anticipated Impact/Discussion**

Although this bill is not expected to impact operations at San Diego International Airport (SDIA), the updating of assessments by the TSA may lead to the future implementation of new security requirements. The Authority’s legislative team will identify any unfunded mandates resulting from these proposed actions.

**Status:** 2/1/17 – Referred to the Senate Committee on Commerce, Science and Transportation

**Position:** Watch (3/2/17)

### **Legislation/Topic**

#### **H.R. 678 (McSally) – Department of Homeland Security Support to Fusion Centers Act of 2017**

### **Background/Summary**

Fusion centers were created to promote information sharing at the federal level between agencies such as the Central Intelligence Agency, the U.S. Department of Justice, the U.S. military and state and local governments. H.R. 678, the “Department of Homeland Security Support to Fusion Centers Act of 2017” would:

- Direct the Comptroller General to conduct an assessment of Department of Homeland Security (DHS) personnel assigned to fusion centers
- Direct the Under Secretary of Intelligence and Analysis of the Department of Homeland Security to provide eligibility for access to information classified as Top Secret for analysts at fusion centers, and submit a report to the Committee on Homeland Security, Permanent House Select Committee on Intelligence, Committee on Homeland Security and Government Affairs and Senate Select Committee on Intelligence
- Direct the Chief Information officer of the Department of Homeland Security to conduct an assessment of information systems used to share homeland security information between fusion centers and the Department.

*\*Shaded text represents new or updated legislative information*

### **Anticipated Impact/Discussion**

Although this bill is not expected to impact operations at San Diego International Airport (SDIA), it will be monitored closely for any potential impact to Department of Homeland Security or Customs and Border Protection procedures.

**Status:** 2/1/17 – Referred to Senate Committee on Homeland Security and Government Affairs

**Position:** Watch (3/2/17)

### **Legislation/Topic**

**H.R. 1265 (DeFazio) – Investing in America: Rebuilding America’s Airport Infrastructure Act**

### **Background/Summary**

H.R. 1265, the “Investing in America: Rebuilding America’s Airport Infrastructure Act”, would provide airports the Authority to establish a passenger facility charge (PFC) of their choosing by eliminating the current \$4.50 PFC limit. This bill would also reduce Airport Improvement Program (AIP) funding by \$400 million annually and eliminate large hub airports’ entitlement to AIP grants if those airports collect PFCs greater than \$4.50.

### **Anticipated Impact/Discussion**

H.R. 1265 would allow the Airport Authority the ability to establish a PFC based on SDIA funding needs rather than the Congressionally – set \$4.50 per passenger cap.

**Status:** 3/2/17 – Referred to House Subcommittee on Aviation

**Position:** Support (4/6/17)

### **New Senate Bills**

No new Senate bills to report.

### **Senate Bills from Previous Report**

### **Legislation/Topic**

**S. 271 (Fischer) – Build USA Infrastructure Act**

### **Background/Summary**

S. 271, the “Build USA Infrastructure Act” would divert \$21.4 billion annually in Customs and Border Protection (CBP) passenger and freight user fees to the Highway Trust Fund. This funding would be diverted for a five-year period, beginning October 1, 2020.

*\*Shaded text represents new or updated legislative information*

### **Anticipated Impact/Discussion**

Airports Council International – North America (ACI-NA) strongly opposes this bill. User fees should be applied for their intended use, not diverted to subsidize other programs, especially as CBP continues to face significant staffing shortfalls and technological challenges. As San Diego International Airport (SDIA) continues to expand international air service, this bill could have a negative impact on CBP's ability to effectively process international passengers.

**Status:** 2/1/17 – Referred to Senate Committee on Homeland Security and Governmental Affairs

**Position:** Oppose (3/2/17)

### **Legislation/Topic** **(Van Hollen) – Customers Not Cargo Act**

#### **Background/Summary**

This proposed legislation would prohibit airlines from forcibly removing passengers after they have already boarded the plane due to overbooking or airline staff seeking to fly as passengers.

### **Anticipated Impact/Discussion**

This bill is not expected to directly impact operations at San Diego International Airport (SDIA).

**Status:** 4/12/17 – Introduced in Senate

**Position:** Watch (5/4/17)

*\*Shaded text represents new or updated legislative information*

## **STAFF REPORT**

Meeting Date: **JUNE 1, 2017**

### **Subject:**

**Appointment of Public Member to the Audit Committee**

### **Recommendation:**

Adopt Resolution No. 2017-0047, appointing Don Tartre to a new term as a Public Member to the Audit Committee.

### **Background/Justification:**

Section 170018 of the Public Utilities Code requires that the Authority's Audit Committee include three members of the public who shall be voting members. This section also outlines the categories and requirements for the three public members. The Board initially appointed Don Tartre as a public member of the Audit Committee on June 5, 2008. After consultation with the Board Chair, the Chair of the Audit Committee recommends that the Board appoint Mr. Tartre to the Audit Committee for a new three (3) year term, commencing in July 2017. His area of expertise is ***Category 1- a professional with experience in the field of public finance and budgeting.***

### **Fiscal Impact:**

State law limits compensation for Board and Committee Members to \$200 per day of service, with a maximum of eight (8) days of service per month. Funding is included in the Fiscal Years 2017 and 2018 Budgets.

### **Authority Strategies:**

This item supports one or more of the Authority Strategies, as follows:

Community Strategy     Customer Strategy     Employee Strategy     Financial Strategy     Operations Strategy

### **Environmental Review:**

- A. This Board action is not a project that would have a significant effect on the environment as defined by the California Environmental Quality Act (CEQA), as amended. 14 Cal. Code Regs. Section 15378. This Board action is not a "project" subject to CEQA. Pub. Res. Code Section 21065.
- B. California Coastal Act Review: This Board action is not a "development" as defined by the California Coastal Act Pub. Res. Code Section 30106.

**Application of Inclusionary Policies:**

Not Applicable.

**Prepared by:**

TONY R. RUSSELL  
DIRECTOR, CORPORATE & INFORMATION GOVERNANCE/AUTHORITY CLERK

RESOLUTION NO. 2017-0047

A RESOLUTION OF THE BOARD OF THE SAN  
DIEGO COUNTY REGIONAL AIRPORT AUTHORITY  
APPOINTING DON TARTRE TO A NEW TERM AS A  
PUBLIC MEMBER TO THE AUDIT COMMITTEE

WHEREAS, Section 170018 of the Public Utilities Code and Authority Policy 1.50 (5)(c)(ii) outline the requirements for the appointment of public members to the Audit Committee; and

WHEREAS, on June 5, 2008, the Board initially appointed Mr. Tartre as a public member of the Audit Committee; and

WHEREAS, Mr. Tartre's background and experience is consistent with Category 1 requirements outlined under Section 170018 of the Public Utilities Code; and

WHEREAS, the Board wishes to appoint Mr. Tartre as a public member to the Audit Committee for a new three (3) year term, commencing in July 2017.

NOW, THEREFORE, BE IT RESOLVED THAT the Board hereby appoints Don Tartre to a new term as a public member to the Audit Committee to serve a three (3) year term commencing in July 2017 (Attachment A); and

BE IT FURTHER RESOLVED THAT the Board finds that this Board action is not a "project" as defined by the California Environmental Quality Act (CEQA), Pub. Res. Code Section 21065; and is not a "development" as defined by the California Coastal Act, Pub. Res. Code Section 30106.

PASSED, ADOPTED AND APPROVED by the Board of the San Diego County Regional Airport Authority at a regular meeting this 1<sup>st</sup> day of June, 2017, by the following vote:

AYES: Board Members:

NOES: Board Members:

ABSENT: Board Members:

ATTEST:

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TONY R. RUSSELL  
DIRECTOR, CORPORATE &  
INFORMATION GOVERNANCE/  
AUTHORITY CLERK

APPROVED AS TO FORM:

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AMY GONZALEZ  
GENERAL COUNSEL

## San Diego County Regional Airport Authority Board Committee, Liaison and Representative Appointments

### STANDING COMMITTEES

<b>Executive Committee</b>		
<i>Hold Monthly Meetings</i>		
<u>Name</u>	<u>Appointed</u>	<u>Term Expiration</u>
<b>April Boling (Chair)</b>	July 2016	
Paul Robinson (Vice Chair)	February 2016	January 2018
Jim Janney	February 2016	January 2018
<b>Finance Committee</b>		
<b>April Boling (Chair)</b>	February 2017	January 2018
Greg Cox (Vice-Chair)	February 2017	January 2018
Jim Janney	February 2017	January 2018
Mary Sessom	February 2017	January 2018
<b>Audit Committee</b>		
<i>Hold Quarterly Meetings</i>		
<u>Name</u>	<u>Appointed</u>	<u>Term Expiration</u>
<b>Paul Robinson (Chair)</b>	February 2017	January 2018
Robert H. Gleason (Vice Chair)	February 2017	January 2018
Michael Schumacher	February 2017	January 2018
Mary Sessom	February 2017	January 2018
Andrew Hollingworth*	July 2016	June 2019
Jack Van Sambeek*	July 2015	June 2018
Don Tartre*	July 2017	June 2020
<small>*Public Members Added Pursuant to Public Utilities Code §170018</small>		
<b>Executive Personnel and Compensation Committee</b>		
<i>Hold Quarterly Meetings</i>		
<u>Name</u>	<u>Appointed</u>	<u>Term Expiration</u>
<b>Jim Desmond (Chair)</b>	February 2017	January 2018
April Boling (Vice Chair)	February 2017	January 2018
Greg Cox	February 2017	January 2018
Mark Kersey	February 2017	January 2018
Michael Schumacher	February 2017	January 2018
<b>Capital Improvement Program Oversight Committee</b>		
<i>Hold Quarterly Meetings</i>		
<u>Name</u>	<u>Appointed</u>	<u>Term Expiration</u>
<b>Jim Janney (Chair)</b>	February 2017	January 2018
Robert H. Gleason	February 2017	January 2018
Mark Kersey	February 2017	January 2018
Paul Robinson (Vice Chair)	February 2017	January 2018

## REPRESENTATIVES (EXTERNAL)

<b>SANDAG Transportation Committee</b>		
<u>Name</u>	<u>Appointed</u>	<u>Term Expiration</u>
<b>Jim Janney (Primary)</b>	February 2017	January 2018
April Boling (Alternate)	February 2017	January 2018
<b>World Trade Center</b>		
<u>Name</u>	<u>Appointed</u>	<u>Term Expiration</u>
Robert H. Gleason	February 2017	January 2018

## REPRESENTATIVES (INTERNAL)

<b>Authority Advisory Committee</b>		
<u>Name</u>	<u>Appointed</u>	<u>Term Expiration</u>
<b>Paul Robinson (Primary)</b>	February 2017	January 2018
April Boling (Alternate)	February 2017	January 2018

<b>Art Advisory Committee</b>		
<u>Name</u>	<u>Appointed</u>	<u>Term Expiration</u>
Robert H. Gleason	February 2017	January 2018

## LIAISONS

<b>Military Affairs</b>		
<u>Name</u>	<u>Appointed</u>	<u>Term Expiration</u>
Col. Woodworth	February 2017	January 2018

<b>Port</b>		
<u>Name</u>	<u>Appointed</u>	<u>Term Expiration</u>
Robert H. Gleason	February 2017	January 2018
April Boling	February 2017	January 2018
Greg Cox	February 2017	January 2018
Paul Robinson	February 2017	January 2018

<b>Caltrans</b>		
<u>Name</u>	<u>Appointed</u>	<u>Term Expiration</u>
Laurie Berman	February 2017	January 2018

<b>Inter-Governmental Affairs</b>		
<u>Name</u>	<u>Appointed</u>	<u>Term Expiration</u>
Greg Cox	February 2017	January 2018

<b>Airport Land Use Compatibility Plan for San Diego International Airport</b>		
<u>Name</u>	<u>Appointed</u>	<u>Term Expiration</u>
Jim Janney	February 2017	January 2018

## **STAFF REPORT**

Meeting Date: **JUNE 1, 2017**

### **Subject:**

**Required Communication to the Audit Committee on the Financial and Compliance Audit for the Fiscal Year Ended June 30, 2017**

### **Recommendation:**

The Audit Committee recommends that the Board accept the information.

### **Background/Justification:**

On April 21, 2014, staff presented a recommendation to the Audit Committee to enter in to an agreement with BKD, LLP, for Financial Audit Services. The Audit Committee recommended that the Board adopt a resolution approving and authorizing the President/CEO to execute an agreement with BKD, LLP.

The Board adopted Resolution No. 2014-0039 during its May 1, 2014, Board Meeting, approving and authorizing the President/CEO to execute an agreement with BKD, LLP, for an amount not to exceed \$950,000 for a three year term with an option for two (2) one year extensions, which may be exercised, subject to Board approval.

The Charter of the Audit Committee, and as specified in the Statement on Auditing Standards (SAS) 114, requires that the Authority's external auditor communicate for review and approval by the Audit Committee its planned scope and timing for conducting the audit of the Authority's financial statements; and to communicate an annual report on independence, a report on its quality control program and peer review, and other responsibilities under generally accepted auditing standards.

As required, the engagement partner from BKD, LLP, gave a presentation (see attached) during the May 15, 2017, Audit Committee Meeting on matters pertaining to the scope, timing, planning, and revisions to professional standards effecting the Fiscal Year Ended June 30, 2017, financial and compliance audit. The committee unanimously accepted the information, with one change noted by the BKD partner. The planned timing to begin their on premises audit work is now June 12, 2017, instead of June 5.

### **Fiscal Impact:**

Adequate funding for the agreement with BKD, LLP, for performing the Authority's financial audit services is included in the Proposed Fiscal Year 2018 Budget and Fiscal Year 2019 Conceptual Budget within the Services-Auditing line item. Expenses that will impact budget years not yet adopted by the Board will be included in future year budget requests.

**Authority Strategies:**

This item supports one or more of the Authority Strategies, as follows:

- Community Strategy     Customer Strategy     Employee Strategy     Financial Strategy     Operations Strategy

**Environmental Review:**

- A. CEQA: This Board action is not a project that would have a significant effect on the environment as defined by the California Environmental Quality Act ("CEQA"), as amended. 14 Cal. Code Regs. §15378. This Board action is not a "project" subject to CEQA. Cal. Pub. Res. Code §21065.
- B. California Coastal Act Review: This Board action is not a "development" as defined by the California Coastal Act. Cal. Pub. Res. Code §30106.

**Application of Inclusionary Policies:**

Not applicable.

**Prepared by:**

MARK A. BURCHYETT  
CHIEF AUDITOR



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Required Communication to Audit Committee  
on the Financial and Compliance Audit  
for the fiscal year ended June 30, 2017

Presented By: David M. Coleman, Partner  
May 15, 2017



# Engagement Team

- ▲ Joe Vande Bosche, CPA, Concurring Review Partner
- ▲ David Coleman, CPA, Engagement Partner
- ▲ Andrew Sherwood, CPA, Senior Associate II
- ▲ Stephen O'Beirne, CPA, Senior Associate

# Overview

- ▲ Our audit will be conducted in accordance with the following guidelines:
  - Auditing standards generally accepted in the United States of America
  - *Government Auditing Standards*
  - Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance)
  - *Passenger Facility Charge Audit Guide for Public Agencies*
  - California Civil Code Section 1936
  - We will also issue a management letter including our required communications to the Audit Committee

# Planned Scope

- ▲ The following are considered as having a higher risk of material misstatement due to error or fraud:
  - Management override of controls
  - Revenue recognition
  - Investment classification
  - Passenger Facility Charge Program
  - Federal Awards Program

# Planned Timing

- ▲ **Week of June 5th** - Planning, interim fieldwork and risk assessment
- ▲ **Week beginning August 28th** - Final audit fieldwork, including Single Audit, Passenger Facility Charge (PFC) and Customer Facility Charge (CFC) testing
- ▲ **September [TBD] 2017** - Exit conference with management to review draft financial statements and other required communications
- ▲ **October 2, 2017** - Drafts of deliverable available for review by management
- ▲ **Week of October 2, 2017** – Concurring partner review to be performed
- ▲ **October 20, 2017** - Release final deliverables
- ▲ **November 20, 2017** - Presentation of financial statements, our required communications and other deliverables to the Audit Committee

# Approach to Planning

- ▲ Planning and Risk Assessment – Our procedures include:
  - Obtaining an understanding of the internal control environment
  - Obtaining an understanding of changes to the Authority's operations for the year, including new revenue streams and activities
  - Examining Authority Board and Audit Committee minutes and highlighting any ordinances, resolutions, laws and compliance regulations to be reviewed

# Approach to Planning *(continued)*

- ▲ Planning and Risk Assessment – Our procedures include (continued):
  - Completing our preliminary analytical review procedures
  - Developing applicable audit programs to address significant audit areas and the specific risks identified during our risk assessment procedures

# Revisions to Professional Standards

- ▲ GASB Statement No. 82, *Pension Issues* – an amendment of GASB Statements No. 67, No. 68 and No. 73 – effective for 2017
- ▲ GASB Statement No. 75, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans* – effective for 2018

# Consideration of Errors or Fraud

- ▲ Our responsibility, as it relates to fraud, in an audit of financial statements is addressed in Statement on Auditing Standards No. 99, *Consideration of Fraud in a Financial Statement Audit*

# Consideration of Errors or Fraud *(continued)*

- ▲ Our audit approach includes:
  - Engagement Team Brainstorming
  - Inquiries of management and others:
    - ▶ Audit Committee Chair
    - ▶ President/CEO
    - ▶ Chief Auditor
    - ▶ General Counsel
    - ▶ Vice President of Finance/CFO

# Consideration of Errors or Fraud *(continued)*

- Inquiries of management and others *(continued)*:
  - ▶ Others as deemed appropriate in the following areas:
    - Accounting
    - Procurement
    - Airport Development
    - Information Technology
    - Human Resources

# Contacts

- ▲ It is our understanding that the appropriate people within the Authority's governance structure with whom to communicate are:
  - Mark Burchyett, Chief Auditor
  - Paul Robinson, Audit Committee Chair
  - April Boling, Board Chair
  
- ▲ If you need to contact us:
  - David Coleman, Partner – 469.341.0785  
[dcoleman@bkd.com](mailto:dcoleman@bkd.com)
  - Andrew Sherwood, Senior II – 469.341.0844  
[asherwood@bkd.com](mailto:asherwood@bkd.com)

# Questions



## **STAFF REPORT**

Meeting Date: **JUNE 1, 2017**

### **Subject:**

**Fiscal Year 2017 Third Quarter Activities Report and Audit Recommendations Issued by the Office of the Chief Auditor**

### **Recommendation:**

The Audit Committee recommends that the Board accept the information.

### **Background/Justification:**

The Charter for the Office of the Chief Auditor (OCA), as approved by the San Diego County Regional Airport Authority Board, establishes the roles, responsibilities, and working relationship of the Chief Auditor with the Audit Committee and with Authority management. The Charter was most recently revised on September 4, 2014, Resolution No. 2014-0089.

The Charter directs the Office of the Chief Auditor to periodically communicate to the Audit Committee with respect to management's systems of control, audit findings, management's responses, and including any steps adopted to resolve a noted issue.

The attached Fiscal Year 2017 Third Quarter Report (Attachment A) summarizes the undertakings and accomplishments of the Chief Auditor's office from January 1, 2017, through March 31, 2017.

During the third quarter, the OCA completed six (6) audits of the Fiscal Year 2017 Audit Plan and issued four (4) recommendations. Appendix B of the activity report provides the status of audit recommendations issued by the Office of the Chief Auditor.

A presentation on the third quarter activities of the Office of the Chief Auditor was provided during a meeting of the Audit Committee on May 15, 2017. Committee Member questions and discussion followed, which included the topic of cyber security. The Committee unanimously voted to forward this item to the Board.

### **Fiscal Impact:**

Adequate funding for Fiscal Year 2017 3<sup>rd</sup> quarter activities and audit recommendations is included in the adopted Fiscal Year 2017 and conceptually approved Fiscal Year 2018 Operating Expense Budgets within the Budget of the Chief Auditor's Office.

**Authority Strategies:**

This item supports one or more of the Authority Strategies, as follows:

- Community Strategy     Customer Strategy     Employee Strategy     Financial Strategy     Operations Strategy

**Environmental Review:**

- A. CEQA: This Board action is not a project that would have a significant effect on the environment as defined by the California Environmental Quality Act ("CEQA"), as amended. 14 Cal. Code Regs. §15378. This Board action is not a "project" subject to CEQA. Cal. Pub. Res. Code §21065.
- B. California Coastal Act Review: This Board action is not a "development" as defined by the California Coastal Act. Cal. Pub. Res. Code §30106.

**Application of Inclusionary Policies:**

Not applicable.

**Prepared by:**

MARK A. BURCHYETT  
CHIEF AUDITOR

## FISCAL YEAR 2017 THIRD QUARTER REPORT



May 3, 2017

Fiscal Year 2017 Third Quarter Report

Paul Robinson, Chair  
Audit Committee  
San Diego County Regional Airport Authority  
P.O. Box 82776  
San Diego, California 92138-2776

Dear Mr. Robinson:

The Office of the Chief Auditor (OCA) presents our Fiscal Year 2017 Third Quarter Report. The report details both the audit and administrative activities of the OCA during the third quarter of Fiscal Year 2017, the resolutions of past audit findings, and information regarding the future plans of the OCA.

The Third Quarter Report will be presented at the next Audit Committee meeting scheduled for May 15, 2017.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Mark A. Burchyett". The signature is fluid and cursive, with a long horizontal stroke at the end.

Mark A. Burchyett  
Chief Auditor

*Audit Results*

During the third quarter, the OCA continued work, as authorized by the Audit Committee, on audits contained within the Fiscal Year 2017 Audit Plan. In total, during the third quarter, the OCA issued six (6) audit reports. The audit reports issued during the quarter included four (4) recommendations for management, which dealt with areas that could be improved upon regarding the management of concessionaires and the collection of Authority funds. The completed audits for the third quarter are listed in Figure 1 below.

*Figure 1: Audits Completed During the Third Quarter of Fiscal Year 2017*

<b>Audit</b>	<b>Report No.</b>	<b>Date</b>	<b>Type of Audit</b>
Airlines and Others	17021	1/4/2017	Expense Contract
Enterprise Rent-A-Car Company of Los Angeles, LLC	17015	1/25/2017	Revenue Contract
Spa Didacus, Inc.	17027	2/7/2017	Revenue Contract
JCDecaux Airport, Inc.	17022	2/8/2017	Revenue Contract
Aircraft Rescue and Fire Fighting (ARFF) Expense Billings - FY16	17029	2/22/2017	Expense Contract
Gate Gourmet, Inc.	17023	3/28/2017	Revenue Contract

In addition to the completed audits, the Office of the Chief Auditor had 14 audits in progress as of March 31, 2017, as shown in Figure 2 below. Of the 14 audits, at the end of the quarter, two (2) draft audit reports were being developed or had been forwarded to the affected departments for review and comment.

*Figure 2: Audits In-Progress as of March 31, 2017*

<b>Audit</b>	<b>Type of Audit</b>
Ace Parking	Revenue Contract
AMEC Environmental and Infrastructure, Inc.	Expense Contract
Austin/Sundt	Expense Contract
Emergency Medical Technician & Paramedic Services	Expense Contract
Fox Rent A Car	Revenue Contract
High Flying Foods San Diego (FSP 7)	Revenue Contract
High Flying Foods San Diego (FSP 8)	Revenue Contract
Host International Inc. (FSP 1)	Revenue Contract
Paradies - San Diego LLC (RP1)	Revenue Contract
Process Control - Airport Development & Construction	Internal Process
Property and Inventory Management	Internal Process
San Diego Unified Port District Billing	Expense Contract
Swissport Lounge LLC	Revenue Contract
The Hertz Corporation	Revenue Contract

*Recommendation Follow-Up*

To ensure that audit issues are addressed in a timely manner, the OCA tracks the status of its recommendations on an on-going basis. For the quarter, the OCA tracked the implementation status of 13 recommendations that were issued during Fiscal Year 2017, or were outstanding as of June 30, 2016. As shown in Figure 3 below, six (6) of the recommendations have been completed or implemented while seven (7) remain outstanding. See Appendix B for a complete listing of all outstanding recommendations and their status.

*Figure 3: Status of Recommendations as of March 31, 2017*

<b>Recommendations:</b>				
<b>Tracked</b>	<b>Completed</b>	<b>In Progress</b>	<b>Open</b>	<b>Not Accepted</b>
<b>13</b>	<b>6</b>	<b>5</b>	<b>2</b>	<b>0</b>

In tracking recommendations the OCA uses the following designations:

- **Completed:** This designation is used for recommendations that the OCA has determined to be adequately implemented or for recommendations where alternate action is taken that adequately addresses the risk identified.
- **In Progress:** These recommendations have been partially addressed or partial corrective action has been taken. If adequate progress is not being made, it will be noted as such.
- **Open:** This category of recommendations have not yet been addressed. Usually, this designation is used when there has not been adequate time between report issuance and recommendation follow-up.
- **Not Accepted:** This designation is used for recommendations that an auditee does not accept; and, therefore, will not implement. This category can represent a failing on the part of the OCA, as all recommendations should be workable and acceptable to the affected departments.

In Fiscal Year 2016, we began to identify and measure an expected completion timeframe for each recommendation. Figure 4 below shows the status of recommendations issued along with our estimated implementation timeframe.

*Figure 4: Status of Recommendations with Estimated Implementation Timeframe*

<b>Estimated Completion Timeframe</b>	<b>Completed Within Estimate</b>	<b>Completed Outside Estimate</b>	<b>Outstanding</b>	<b>Total</b>
Zero to 6 Months	9	1	2	12
6 Months to 1 Year	4	0	4	8
Over 1 Year	1	1	1	3
<b>Total</b>	<b>14</b>	<b>2</b>	<b>7</b>	<b>23</b>

It appears that adequate progress is being made with the majority of recommendations. Specifically, the non-completion of the “In Progress” recommendations should not have a material adverse effect on the Authority. The OCA will continue its monthly tracking of their status.

## *Non-Audit Activities*

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Along with the audit activities detailed above, the Office of the Chief Auditor continues its involvement in several non-audit projects and activities. Specifically, the OCA was involved in the following:

### **Audit Committee:**

The Audit Committee met on February 13, 2017. During that meeting, the OCA presented its Fiscal Year 2017 Second Quarter Activities Report and provided the Committee with an update of its Construction Audit and Ethics programs. The next Audit Committee meeting is May 15, 2017.

### **Construction Audit Activity:**

Construction Audit activity for the third quarter of 2017 consisted of the continuation of the closeout audit of the Green Build. Additionally, the OCA Construction Auditor attended several Swinerton payment application meetings to gain an understanding of the pre- and post-GMP processes and internal controls over payments.

Through attendance at the Capital Improvement Committee meetings, Development Program meetings, and other construction planning related meetings; and working closely with members of the Accounting and Business & Financial Management Departments, the OCA Construction Auditor continues to provide assistance in ensuring that the Authority is meeting compliance requirements for ongoing and planned projects. Additionally, the OCA Construction Auditor remains involved with issues identified by the Airport Design and Construction team, Facilities Development team, and Authority Management, providing assistance and attending meetings specific to the aspects of the Authority's construction activity.

### **Ethics Compliance Program:**

During the quarter, there was two ethics reports received – one anonymously through the on-line Ethics Violation Form and the other anonymously through the hotline. Both reports concerned workplace behavior. The details of neither report supported a potential code violation; therefore, no investigations of concern were conducted.

A new ethics training program has been developed and has been presented to all departments of the Authority, except one. As a result of the training, multiple questions were posed to the Ethics Coordinator regarding situations that, previously, employees were unaware might pose an ethics violation. All of these questions have been answered, with assistance from the General Counsel's Office as needed.

*Performance Measures*

The OCA establishes performance measures each year to provide a benchmark to gauge its success. The five (5) performance measures for Fiscal Year 2017, along with their current status, are detailed below in Figure 5.

*Figure 5: Status of Performance Measures as of March 31, 2017*

Performance Measure	Goal	Progress as of March 31, 2017
Percentage of the audit plan completed annually	100%	58%
Additional revenue/cost savings identified through audits	n/a	\$188,533
Percentage of staff time spent on audit activities	80% <sup>1</sup>	89%
Percentage of audits completed within budgeted time	80%	80%
Implementation of Recommendations	90%	70%

**Percentage of the audit plan completed annually:** This measure provides information on what has been accomplished regarding the planned audit projects for the year. To date the OCA has completed 58% of the plan and an additional 35% of the audit plan is currently in-progress. The large percentage of audits currently in process is the result of several audits, including Ace Parking and the Port District Billing, resulting in longer time periods to complete. We also have established quarterly goals for the completion of our audit plan. For the third quarter, we had a completion goal of 74% of the audit plan.

**Additional revenue/cost savings identified:** While the value of an audit cannot be adequately assessed by this performance measure, it does provide quantifiable values for completed audits. Through the third quarter of Fiscal Year 2017 we have identified \$188,533 in additional revenue, as noted in Figure 6 below:

*Figure 6: Revenue and Cost savings Identified in Fiscal Year 2017*

Audit	Revenue Identified	Revenue Collected
Avis Budget Car Rental, LLC	\$86,905	\$86,905
ARFF	55,122	55,122
Duty Free Americas	39,592	39,592
Gate Gourmet	3,710	0
SPPlus	3,204	3,204
<b>Total</b>	<b>\$188,533</b>	<b>\$184,823</b>

<sup>1</sup> This is the percentage of time staff spends on audit projects, construction audit activities, training, and the Ethics Program, vs. total staff time worked.

**Percentage of staff time spent on audit activities:** This measure helps ensure that the OCA spends an adequate amount of time on audit activities rather than administrative activities. To date, the OCA is well over its current goal of 80%.

**Percentage of audits completed within budgeted time:** This category monitors how efficient audit staff is in performing their audits. Specifically, audit staff is held accountable to the internally prepared audit budgets for each project. However, it recognizes that budgets may need adjustment(s) as additional facts become known during an audit. For the fiscal year to date, the OCA is on target, completing 80% of its projects within the budgeted time.

**Implementation of Recommendations:** This goal measures the value that the OCA is providing to the Authority by measuring how audit recommendations have impacted the Authority. For the fiscal year, 16 of 23 recommendations were implemented. While the percentage of implemented recommendations is under our goal, we are on track to achieve the goal, with an aim to have 90% of our recommendations implemented within the year. Additionally, only two (2) recommendations completed this fiscal year have exceeded our estimated completion time.

## Going Forward

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For completion during the final quarter of Fiscal Year 2017, the OCA has targeted all of the audits currently in progress and five (5) additional audits. The completion of these audits will result in the accomplishment of the Fiscal Year 2017 Audit Plan. Figure 7 identifies the audits scheduled for completion in the fourth quarter.

*Figure 7: Audits Scheduled for Completion in the Fourth Quarter of Fiscal Year 2017*

Audit	Type of Audit
Ace Parking	Revenue Contract
AMEC Environmental and Infrastructure, Inc.	Expense Contract
Austin/Sundt	Expense Contract
Emergency Medical Technician & Paramedic Services	Expense Contract
Environmental Compliance	Internal Process
Fox Rent A Car	Revenue Contract
Hearne Corporation	Expense Contract
High Flying Foods San Diego (FSP 7)	Revenue Contract
High Flying Foods San Diego (FSP 8)	Revenue Contract
Host International Inc. (FSP 1)	Revenue Contract
Paradies - San Diego LLC (RP1)	Revenue Contract
Process Control - Airport Development & Construction	Internal Process
Procurement Card Program	Internal Process
Property and Inventory Management	Internal Process
Rental Car Center Fund	Internal Process
San Diego Unified Port District Billing	Expense Contract
Swissport Lounge LLC	Revenue Contract
Telecommunications Services and Billing	Internal Process
The Hertz Corporation	Revenue Contract

Ethics Hotline

January 1, 2017 – March 31, 2017

	Number of Reports Received	Number Received Anonymously	Details Support Potential Code Violation (Ethics or Workplace)	Investigation of Concern	Response (email or phone to non-anonymous reports)
<b>General Workplace Concerns</b>					
Workplace Practices/Behavior	2	1	2	2	1

Rec. No.	Department Name	Audit Report Description	Risk Score	Risk	Recommendation	Status as of March 31, 2017	OCA's Assessment	Estimated Completion Date																																
16-07	BUSINESS AND FINANCIAL MANAGEMENT DEPARTMENT	Audit Report 16020, dated June 14, 2016, Midway Rent A Car, Inc.	18	Impact: 9 Probability: 9	The Business and Financial Management Department should request that the Accounting Department issue an invoice to Midway in the amount of \$435,783, for the underpayment of license fees due to the reclassification of non-airport revenue to airport revenue.	Authority staff met with Midway. Settlement agreement has been reached and Letter of Agreement documentation is in process. Anticipated close-out 4 <sup>th</sup> quarter FY17.	In Progress	4th Quarter FY17																																
16-04	INFORMATION & TECHNOLOGY SERVICES DEPARTMENT	Audit Report 16005, dated February 29, 2016, Information Technology Monitoring and Evaluation	17	Impact: 9 Probability: 8	Information & Technology Services Department should implement a proactive and systematic program for evaluating and monitoring compliance to IT cybersecurity policies.	The Information & Technology Services Department has implemented a proactive and systematic program for evaluating and monitoring compliance to IT cybersecurity policies.	Completed I&TS provided a list of actions taken that address the concerns raised within the recommendation.	N/A																																
17-11	BUSINESS AND FINANCIAL MANAGEMENT DEPARTMENT	Audit Report 17027, dated February 7, 2017, Spa Didacus, Inc.	15	Impact: 7 Probability: 8	The Business and Financial Management Department should develop a control to ensure that the completed Certification of Capital Investment, the related depreciation schedule, and proper supporting documentation, are received from every concessionaire as required by the Lease.	We are working on an improved process with FDD to address the findings.	In Progress	4th Quarter FY17																																
15-31	BUSINESS AND FINANCIAL MANAGEMENT DEPARTMENT	Audit Report 16018, dated December 23, 2015, DTG Operations, Inc., dba Thrifty and Dollar	14	Impact: 7 Probability: 7	Business and Financial Management should request that Accounting generate an invoice to DTG in the amount of \$35,847, as detailed below:  <b>License Fee and CFC Recalculation</b> <table border="1"> <thead> <tr> <th></th> <th>Dollar</th> <th>Thrifty</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td><b>Finding 1</b></td> <td></td> <td></td> <td></td> </tr> <tr> <td>License Fees</td> <td>&lt;\$12,383&gt;</td> <td>&lt;\$4,449&gt;</td> <td>&lt;\$16,832&gt;</td> </tr> <tr> <td><b>Finding 2</b></td> <td></td> <td></td> <td></td> </tr> <tr> <td>CFC</td> <td>&lt;2,052&gt;</td> <td>18,011</td> <td>15,959</td> </tr> <tr> <td><b>Finding 3</b></td> <td></td> <td></td> <td></td> </tr> <tr> <td><u>Non-Airport</u></td> <td><u>27,476</u></td> <td><u>9,244</u></td> <td><u>36,720</u></td> </tr> <tr> <td><b>Total</b></td> <td><b>\$13,041</b></td> <td><b>\$22,806</b></td> <td><b>\$35,847</b></td> </tr> </tbody> </table>		Dollar	Thrifty	Total	<b>Finding 1</b>				License Fees	<\$12,383>	<\$4,449>	<\$16,832>	<b>Finding 2</b>				CFC	<2,052>	18,011	15,959	<b>Finding 3</b>				<u>Non-Airport</u>	<u>27,476</u>	<u>9,244</u>	<u>36,720</u>	<b>Total</b>	<b>\$13,041</b>	<b>\$22,806</b>	<b>\$35,847</b>	Settled amount has been invoiced and payment has been received.	Completed	N/A
	Dollar	Thrifty	Total																																					
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17-09	BUSINESS AND FINANCIAL MANAGEMENT DEPARTMENT	Audit Report 17017, dated November 17, 2016, Avis Budget Car Rental, LLC	14	Impact: 7 Probability: 7	In order to address the above issues, we recommend that the Business and Financial Management Department request that the Accounting Department issue an invoice to Avis in the amount of \$85,430 for the net underpayment of concession fees.	Avis was invoiced and payment has been received.	Completed	N/A																																

NOTE: Risk Score is based upon the combined scores of Impact and Probability. Both Impact and Probability are ranked on a scale of 1-10, with maximum possible scores (highest risk) of 10, and a maximum possible combined score of 20.

Rec. No.	Department Name	Audit Report Description	Risk Score	Risk	Recommendation	Status as of March 31, 2017	OCA's Assessment	Estimated Completion Date
17-12	AIRSIDE OPERATIONS DEPARTMENT	Audit Report 17029, dated February 22, 2017, Aircraft Rescue and Fire Fighting Expense Billings - Fiscal Year 2016	13	Impact: 7 Probability: 6	We recommend that the Airside Operations Department notify the Accounting Department to issue an invoice to the City of San Diego for the overbilling of \$55,122 for personnel expenses. The adjustments to fire fighter fringe rates, Fair Labor Standards Act overtime expenses, and the Tele Staff Desk credit, should be included in the final calculation of the amount due from the City for Fiscal Year 2016 ARFF services.	The Authority has received the credit for the over billing.	Completed	N/A
15-29	BUSINESS AND FINANCIAL MANAGEMENT DEPARTMENT	Audit Report 16030, dated December 8, 2015, NewZoom, Inc. dba ZoomSystems	11	Impact: 5 Probability: 6	Monitoring of requirements of each concessionaire lease agreement needs to be strengthened and well documented. Differences in processes used by concessionaires should be analyzed for adequacy to determine if they provide the outcome that the Authority is actually seeking. The pricing and product processes used by ZoomSystems appear to be reasonable and ones that can be easily monitored by the Authority, but the lease should be changed to reflect the processes used.	Negotiations and a final agreement with Zoom have been reached and documents have been processed.	Completed	N/A
16-08	PROCUREMENT DEPARTMENT/AUTHORITY MANAGEMENT	Audit Report 16001, dated June 21, 2016, Contract Management	11	Impact: 6 Probability: 5	Authority Management should ensure that a complete formal contract management procedure manual is in place in all departments to ensure compliance with Board policies, consistent practices, and proper internal controls. Manuals should be reviewed and updated as needed, on a regular basis, preferably at least every two years.	A Contract Management procedures manual for all departments is currently under development. The manual will incorporate updated tools to facilitate contract management, which will be rolled out in April and added to the Procurement training on April 13th.	In Progress	October 2017
17-10	BUSINESS AND FINANCIAL MANAGEMENT DEPARTMENT	Audit Report 17017, dated November 17, 2016, Avis Budget Car Rental, LLC	11	Impact: 6 Probability: 5	We recommend that the Business and Financial Management Department develop a process to ensure that the Use & Occupancy Permit fixed rent is adjusted every July 1 of each calendar year using the Consumer Price Index, and determine if the underpayment of \$1,475 should be collected retroactively.	Progress is on-going. Continuing efforts to verify, capture, and automate critical dates with Accounting.	In Progress	4th Quarter FY17
17-14	BUSINESS AND FINANCIAL MANAGEMENT DEPARTMENT	Audit Report 17023, dated March 28, 2017, Gate Gourmet, Inc.	11	Impact: 6 Probability: 5	We recommend that the Business and Financial Management Department notify Gate Gourmet that discounts should not be deducted from monthly gross revenues, unless the discounts are given to the airlines during the same month.	This recommendation was issued during the month and no follow up activities were conducted.	Open	Unknown

NOTE: Risk Score is based upon the combined scores of Impact and Probability. Both Impact and Probability are ranked on a scale of 1-10, with maximum possible scores (highest risk) of 10, and a maximum possible combined score of 20.

Rec. No.	Department Name	Audit Report Description	Risk Score	Risk	Recommendation	Status as of March 31, 2017	OCA's Assessment	Estimated Completion Date
17-13	BUSINESS AND FINANCIAL MANAGEMENT DEPARTMENT	Audit Report 17023, dated March 28, 2017, Gate Gourmet, Inc.	10	Impact: 5 Probability: 5	We recommend that the Business and Financial Management Department request the Accounting Department to issue an invoice to Gate Gourmet in the amount of \$3,710 for the underpayment of license fees.	This recommendation was issued during the month and no follow up activities were conducted.	Open	Unknown
16-05	BUSINESS AND FINANCIAL MANAGEMENT DEPARTMENT	Audit Report 16004, dated March 30, 2016, Grant & Non-Airline Revenue Management	9	Impact: 5 Probability: 4	The Business and Financial Management Department (BFM) should expand and enhance documentation pertaining to the grant management program. In addition, the current grant manual should be updated and reviewed and formal training should be conducted periodically, to ensure consistent knowledge of procedures and regulations and to provide guidance for employee(s), including required documents needed by the employee(s) to complete their job duties, as well as the assignment of responsibility for tasks and actions.	The Authority's internal procedures for grants compliance in the contracting process was submitted to FAA for review in February. Internal collaboration and training is on-going. A stakeholder grants session will be held in May to promote shared knowledge of grant processes. Participants include BFM, ADC, Legal, IGR, Environmental, and Procurement. Staff from several departments will be attending a multi-day FAA training session in June.	Completed	N/A
17-01	ACCOUNTING DEPARTMENT	Audit Report 15004, dated July 11, 2016, Business and Travel Expenses	9	Impact: 5 Probability: 4	The Accounting Department should continue with their current review activities, but, consider reminding employees of the need for President/CEO approval of in-town meals with contractors, proper use of P-cards when holding hotel room reservations, and of the requirement for submitting reimbursement of unused travel advances.	Accounting is continuing to work on the integration of the recommendations to be included in the FY17 Annual Employee Business and Travel Expense training in LMS. We are confident that this initiative will be completed by the end of the 4th quarter.	In Progress	4th Quarter FY17

NOTE: Risk Score is based upon the combined scores of Impact and Probability. Both Impact and Probability are ranked on a scale of 1-10, with maximum possible scores (highest risk) of 10, and a maximum possible combined score of 20.

## **STAFF REPORT**

Meeting Date: **JUNE 1, 2017**

### **Subject:**

**Fiscal Year 2018 Proposed Audit Plan of the Office of the Chief Auditor**

### **Recommendation:**

Adopt Resolution No. 2017-0048, approving the proposed Fiscal Year 2018 Audit Plan.

### **Background/Justification:**

As directed in the Charter of the Office of the Chief Auditor (OCA), a one-year audit plan shall be submitted at the beginning of each fiscal year by the Chief Auditor to the Audit Committee for their review and acceptance.

The Fiscal Year 2018 Proposed Audit Plan was prepared by the Chief Auditor based on the following key elements: a comprehensive risk assessment methodology and analysis; input from the Board; input from Authority management; and, on the basis of staff resources available. Attachment A provides a detailed account of the Fiscal Year 2018 Audit Plan formulation.

On May 15, 2017, the Audit Committee was presented with the Office of the Chief Auditor's Proposed Fiscal Year 2018 Audit Plan (see Attachment A) during its regularly scheduled meeting. The OCA Audit Plan, and any subsequent revisions, requires five (5) affirmative votes of the Audit Committee prior to Board approval. The Committee voted unanimously to accept the plan and forwarded the item to the Board for approval.

### **Fiscal Impact:**

Adequate funding for the Fiscal Year 2018 Proposed Audit Plan is included in the adopted Fiscal Year 2018 and conceptually approved Fiscal Year 2019 Operating Expense Budgets within the Budget of the Chief Auditor's Office.

### **Authority Strategies:**

This item supports one or more of the Authority Strategies, as follows:

- Community Strategy     Customer Strategy     Employee Strategy     Financial Strategy     Operations Strategy

**Environmental Review:**

- A. CEQA: This Board action is not a project that would have a significant effect on the environment as defined by the California Environmental Quality Act ("CEQA"), as amended. 14 Cal. Code Regs. §15378. This Board action is not a "project" subject to CEQA. Cal. Pub. Res. Code §21065.
- B. California Coastal Act Review: This Board action is not a "development" as defined by the California Coastal Act. Cal. Pub. Res. Code §30106.

**Application of Inclusionary Policies:**

Not applicable.

**Prepared by:**

MARK A. BURCHYETT  
CHIEF AUDITOR

RESOLUTION NO. 2017-0048

A RESOLUTION OF THE BOARD OF THE SAN  
DIEGO COUNTY REGIONAL AIRPORT AUTHORITY  
APPROVING THE PROPOSED FISCAL YEAR 2018  
AUDIT PLAN

WHEREAS, California Public Utilities Code §170018 specifies the membership (consisting of board members and public members), the terms, and the responsibilities of the Audit Committee; and

WHEREAS, §170018(g) of the California Public Utilities Code and the Authority Charter of the Office of the Chief Auditor require the Audit Committee to approve the annual internal and external audits, including the auditor's annual audit plan, for each fiscal year and submit the same to the Board for approval; and

WHEREAS, at its regular meeting on May 15, 2017, the Audit Committee was presented with the Fiscal Year 2018 Proposed Audit Plan and voted to accept the plan and forward it for Board approval.

NOW, THEREFORE, BE IT RESOLVED that the Board approves the Proposed Fiscal Year 2018 Audit Plan (Attachment A); and

BE IT FURTHER RESOLVED the Board finds that this action is not a "project" as defined by the California Environmental Quality Act ("CEQA") (California Public Resources Code §21065); and is not a "development" as defined by the California Coastal Act (California Public Resources Code §30106).

PASSED, ADOPTED, AND APPROVED by the Board of the San Diego County Regional Airport Authority at a regular meeting this 1<sup>st</sup> day of June, 2017, by the following vote:

AYES: Board Members:

NOES: Board Members:

ABSENT: Board Members:

ATTEST:

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TONY R. RUSSELL  
DIRECTOR, CORPORATE &  
INFORMATION GOVERNANCE /  
AUTHORITY CLERK

APPROVED AS TO FORM:

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AMY GONZALEZ  
GENERAL COUNSEL

# PROPOSED FISCAL YEAR 2018 AUDIT PLAN

ATTACHMENT A

This document is for the purpose of communicating to the San Diego County Regional Airport Authority (Authority) Board the process used for constructing the Office of the Chief Auditor's (OCA) Annual Audit Plan (Audit Plan) for Fiscal Year 2018.

The Audit Plan was developed utilizing a risk assessment methodology that considered specific impact and probability risks. Impact risk evaluates the effect resulting from a breakdown in an operation's environment, processes, and/or controls. Probability risk evaluates the likelihood that an incident will occur.

Utilizing a structured risk assessment methodology enables the OCA to quantify the level of risk related to the Authority's processes and business activities. On the basis of the risk scoring, the OCA can develop an appropriate audit schedule that will ensure adequate review of the Authority's operations.

The risk assessment methodology utilized by the OCA to construct the Fiscal Year 2018 Audit Plan is a five-part process consisting of:

1. Developing the risk assessment model;
2. Understanding department activities;
3. Scoring the process and business activity risks;
4. Ranking the auditable areas; and,
5. Developing the audit plan.

To develop the Risk Assessment Model we inventoried all Authority activities, segregating them into the following categories:

- Annual Ongoing Audits and Support
- Car Rental Contract Audits<sup>1</sup>
- Concession Contract Audits<sup>1</sup>
- Expense Contract Audits
- Internal Business Process Audits
- Other Lease Contract Audits<sup>1</sup>

These categories were segregated into auditable units, and estimated audit hours were then assigned to each auditable unit. Each audit unit's risk was scored using the risk criteria, and then ranked based on the auditable unit's risk score.

To determine the annual amount of staff time available to complete audits, we estimated the amount of time each audit staff member would have to devote to audit projects, taking into consideration administrative, vacation, training, sick, and holiday hours. We estimated that a total of 9,672 staff hours are available during Fiscal Year 2018 to conduct assigned audits.

The next step was to determine the net hours available for business processes, expense contracts, and revenue contracts. This amount was calculated by subtracting the hours required to conduct annual ongoing audits, ethics program activities, and construction audit activities, from the total available hours. Table 1 below details this calculation.

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<sup>1</sup> Car Rental, Concession, and Other Lease Contracts are combined in Revenue Contract Audits in the Audit Plan.

# PROPOSED FISCAL YEAR 2018 AUDIT PLAN

TABLE 1

<b>Staff Hours Available to Conduct Non-Annual Audits</b>	
Total Available Staff Hours Per Year (See Attachment 1)	9,672
Annual Ongoing Audits	(1,430)
Ethics Program Activity	(375)
Construction Audit and Monitoring Activity	(1,180)
<b>Available Hours for Non-Annual Audits</b>	<b>6,687</b>

The final step was to develop the Fiscal Year 2018 audit plan based on the available resources and risk scores. For each of the audit categories (business processes, expense contracts, and revenue contracts) we selected audit units with higher risk scores, taking into account the amount of resources that would be required of the internal audit staff and the amount of audit time required by applicable Authority departments. We used the 2016 calendar year as the basis for analysis for both expenses and revenue.

The proposed Audit Plan for Fiscal Year 2018 is presented in Attachment 1. The expense contracts selected for review account for 28.2% of the total actual expenses over the 12-month period.

Total revenue contracts selected for audit account for 15.7% of total revenue collected over the 12-month period. Car rental revenue contracts selected account for 12.9% of the total collected revenues over the 12-month period. Other lease revenue contracts selected account for 35.3% of the total collected revenues over the 12-month period. Concession revenue contracts selected account for 27.1% of the total collected revenues over the 12-month period.

Further detailed explanation of each of the audit units included in the Audit Plan is provided in Attachment 2.

**San Diego County Regional Airport Authority  
Proposed Fiscal Year 2018 Audit Plan**

**ATTACHMENT 1**

<b><u>BUSINESS PROCESS AUDITS</u></b>		
1	Business and Travel Expenses	300
2	Concession Cost Recovery	250
3	Information Technology Monitoring and Evaluation	350
4	Small Business Development Management	250
5	Vehicle Fleet Management	250
6	Asset Management	300
<b>TOTAL BUSINESS PROCESS AUDIT HOURS</b>		<b>1,700 17.6%</b>
<b><u>EXPENSE CONTRACT AUDITS</u></b>		
7	Swinerton Builders	250
8	Haley and Aldrich, Inc.	150
9	Pacific Rim Mechanical	150
10	Ace Parking Management, Inc.	350
11	Network Security Electronics, Inc.	250
12	Dynamic Contracting Services, Inc.	150
13	Chula Vista Electric Company	150
14	Sign Age Identity Systems Inc.	150
15	Leigh Fisher & Associates	150
<b>TOTAL EXPENSE CONTRACT AUDIT HOURS</b>		<b>1,750 18.1%</b>
<b><u>REVENUE CONTRACT AUDITS</u></b>		
16	BW - Budget - SDA, LLC	250
17	Nevada Lease and Rental Inc. dba Payless Car Rental System	250
18	Simply Wheelz LLC dba Advantage Rent-A-Car	250
19	EZ Rent A Car	250
20	Signature Flight Support	150
21	Smarte Carte Inc.	150
22	GAT Airline Ground Support Inc.	150
23	Stellar Partners Inc. (RP 4)	200
24	Hudson Group - CV - Epicure - Martinez San Diego (RP 2)	200
25	Pacific Gateway Concessions and Procurement Concepts San Diego LLC (RP 3)	200
26	SSP America Inc. (FSP 5)	200
27	Mission Yogurt Inc. (FSP 4)	200
<b>TOTAL REVENUE AUDIT HOURS</b>		<b>2,450 25.3%</b>
<b><u>ANNUAL ONGOING AUDITS AND SUPPORT</u></b>		
28	Aircraft Rescue and Fire Fighting (ARRF) Billing	150
29	Board Member and Executive Business Expenses	50
30	Rental Car Center Fund Review	50
31	Procurement Card Program	150
32	Agreements with Expenditure Limits Not to Exceed \$100,000	100
33	Biennial Airline Landing Fees	250
34	Transportation Network Company (TNC) Reviews and Assistance	150
35	Emergency Medical Technician-Paramedic Services	80
36	Automated License Plate Reader (ALPR) System - Ace Parking	200
37	San Diego Unified Port District Billing	250
<b>ANNUAL ONGOING AUDIT AND SUPPORT HOURS</b>		<b>1,430</b>
38	Special Request Audits	787
<b>TOTAL ANNUAL ONGOING AUDITS AND SUPPORT HOURS</b>		<b>2,217 22.9%</b>
39	<b>ETHICS PROGRAM ACTIVITY</b>	<b>375 3.9%</b>
40	<b>CONSTRUCTION AUDIT AND MONITORING ACTIVITY</b>	<b>1,180 12.2%</b>
<b>TOTAL HOURS</b>		<b>9,672 100.0%</b>
<b>AVAILABLE AUDIT HOURS FROM OFFICE STAFF</b>		<b>9,672</b>
<b>DIFFERENCE</b>		<b>0</b>

#	Audit Unit	Explanation
<b><i>Business Process Audits</i></b>		
1	Business Travel and Expenses	Review controls, compliance, and performance related to business and travel expenses, and review check request process.
2	Concession Cost Recovery	Analyze cost recovery processes, procedures, and financial data related to the operations of concessions at San Diego International Airport.
3	Information Technology Monitoring and Evaluation	Review controls, compliance, and performance related to the property and inventory management.
4	Small Business Development Management	Review controls, compliance, and performance related to Small Business Development management.
5	Vehicle Fleet Management	Evaluate the Authority's vehicle fleet policies and procedures, use and fueling controls, cost, and key performance indicators.
6	Asset Management	Review controls, compliance, and performance related to asset management.
<b><i>Expense Contract Audits</i></b>		
7	Swinerton Builders	Review contract expenditures related to the Design-Build contractor to construction of the Terminal 2 Parking Plaza, with a maximum contract amount of \$12,000,000.
8	Haley and Aldrich, Inc.	Review contract expenditures related to providing environmental consulting services, with a maximum contract amount of \$4,750,000.
9	Pacific Rim Mechanical	Review contract expenditures related to HVAC maintenance and repair, with a maximum contract amount of \$8,499,275.
10	Ace Parking Management, Inc.	Review contract expenditures related to parking management operations, with a maximum contract amount of \$28,800,000.
11	Network Security Electronics, Inc.	Review contract expenditures related to airport security system maintenance and repair services, with a maximum contract price of \$10,000,000.
12	Dynamic Contracting Services, Inc.	Review expenditures related to providing general construction services for the capital improvement program, with estimated maximum contract amount of \$5,000,000.
13	Chula Vista Electric Company	Review contract expenditures related to electrical distribution system operations, maintenance, and repair services, with a maximum contract amount of \$10,000,000.
14	Sign Age Identity Systems Inc.	Review expenditures related to providing on-call sign fabrication, modification, installation, removal, and repair services, with estimated maximum contract amount of \$2,287,986.
15	Leigh Fisher & Associates	Review contract expenditures providing airport planning consulting services, with an estimated maximum contract amount of \$9,367,875.

#	Audit Unit	Explanation
<b>Revenue Contract Audits</b>		
16	BW - Budget - SDA, LLC	Review the accuracy of revenues received from a car rental company.
17	Nevada Lease and Rental Inc. dba Payless Car Rental System	Review the accuracy of revenues received from a car rental company.
18	Simply Wheelz LLC dba Advantage Rent-A-Car	Review the accuracy of revenues received from a car rental company.
19	EZ Rent A Car	Review the accuracy of revenues received from a car rental company.
20	Signature Flight Support	Review the accuracy of revenues and related expenditures for providing fixed based operations services at SDIA.
21	Smarte Carte Inc.	Review the accuracy of revenues and related expenditures for providing baggage cart rentals at SDIA.
22	GAT Airline Ground Support Inc.	Review the accuracy of revenues and related expenditures for providing ground handling and support services at SDIA.
23	Stellar Partners Inc. (RP 4)	Review the accuracy of revenues and related expenditures for concession services.
24	Hudson Group - CV - Epicure - Martinez San Diego (RP 2)	Review the accuracy of revenues and related expenditures for concession services.
25	Pacific Gateway Concessions and Procurement Concepts San Diego LLC (RP 3)	Review the accuracy of revenues and related expenditures for concession services.
26	SSP America Inc. (FSP 5)	Review the accuracy of revenues and related expenditures for concession services.
27	Mission Yogurt Inc. (FSP 4)	Review the accuracy of revenues and related expenditures for concession services.
<b>Annual Ongoing Audits &amp; Support</b>		
28	Aircraft Rescue & Fire Fighting (ARFF) Billing	Ensure that the Authority is reimbursing the City of San Diego for actual costs incurred to provide ARFF services, so that the Authority is in compliance with the FAA's revenue diversion requirements.
29	Board Member and Executive Business Expenses	Review the appropriateness of Board Member expenditures, and compliance of these expenditures with Authority policy.
30	Rental Car Center Fund Review	Review Rental Car Center Fund for compliance with Authority policies and State regulations.
31	Procurement Card Program	Review controls related to P-cards and appropriateness of expenditures.
32	Agreements with Expenditure Limits Not to Exceed \$100,000	Review sample of expenditures of contracts that are less than \$100,000 per year.
33	Biennial Airline Landing Fees	Review the accuracy of revenues for commercial and cargo airline service from all air carriers servicing SDIA.

#	Audit Unit	Explanation
34	Transportation Network Company (TNC) Reviews and Assistance	Working with the Ground Transportation Department, review TNC operations, and assist with sample selection of TNC operators for background checks.
35	Emergency Medical Technician-Paramedic Services	Ensure that the Authority only reimburses the City of San Diego for the actual costs of providing the emergency medical technician-paramedic services, so that the Authority is in compliance with the FAAs revenue diversion requirements.
36	Automated License Plate Reader (ALPR) System – Ace Parking	Review privacy and personal information security procedures and practices related to the Automated License Plate Reader (ALPR) system.
37	San Diego Unified Port District Billing	Determine that payments made to the Port are reflective of the actual expenses incurred to provide those services, so that the Authority is in compliance with the FAAs revenue diversion requirements.
36	Special Request Audits	Perform close-out audits (audits of vendors that terminate operations at SDIA) and audits that are requested by Board Members and/or management that were not included in the audit plan.
<b>Other Audit Activity</b>		
39	Ethics Program Activity	Review ethics policies on an annual basis, provide training, and investigate reported incidents.
40	Construction Audit and Monitoring Activity	Perform audits of construction activities related to the Capital Improvement Program and the Terminal Development Program.

## **STAFF REPORT**

Meeting Date: **JUNE 1, 2017**

### **Subject:**

**Annual Review and Approval of Amendments to Authority Policy 4.20 – Policy Guidelines for Prudent Investments, Delegation of Authority to Invest and Manage Authority Funds to the Vice President, Finance and Asset Management/Treasurer**

### **Recommendation:**

Adopt Resolution No. 2017-0049, approving amendments to Authority Policy 4.20 – Policy Guidelines for Prudent Investments, and delegating authority to invest and manage Authority funds to the Vice President, Finance and Asset Management /Treasurer.

### **Background/Justification:**

The attached Investment Policy (Exhibit A) serves as the foundation of the Authority's investment goals and priorities. The Authority's internal policy guidelines compel the Authority's Treasurer to invest Authority funds in a manner that will provide the highest security of funds while meeting the daily cash flow demands. The foremost stated objective is safety, with the requirement that all transactions are structured to avoid capital losses from issuer or broker/dealer default, or erosion of market value.

State law requires that the objective of return on investment be subordinate to the objectives of safety and liquidity. Therefore, the Investment Policy requires the Authority shall seek to achieve a return on funds throughout all economic cycles, taking into consideration the Authority's investment risk constraints and cash flow requirements.

The Authority's Investment Policy was developed in conjunction with our financial and investment advisors and it adheres to or exceeds the policies and requirements of investment types as authorized by the California Government Code §§ 16429.1 and 53600 et seq (Code).

As a result of the annual review, by staff, and the Authority's financial and investment advisors, certain changes to Policy 4.20 are recommended. The recommended changes to the policy include language that reflect updates to California Government Code. State Code was modified to clarify that the rating requirements specify the minimum credit rating category required at purchase without regard to "+" or "-" or "1, 2, 3" modifiers. This revision did not change the minimum ratings required by the Code for the different Investment types. It simply codified the credit rating interpretation already used by most public agencies. This revision applies to all six of the Policy's sections that specify a credit rating requirement for purchase.

While an annual review and adoption is not required by statute, both the Association of Public Treasurers of the United States and Canada and the Government Finance Officers Association have established policy standards recommending a review be conducted annually.

Since this Investment Policy serves as the guidelines for prudent management of the Authority's investments, the attached resolution and accompanying policy are submitted to ensure a regular review and approval by the Authority Board.

In addition, the Board delegates the authority to invest and manage the funds of the Authority to the Authority's Treasurer. Such delegation is on a fiscal year basis and subject to renewal by the Board, at its option. Based on the investment record, the attached resolution requests reappointment of the Vice President of Finance and Asset Management/Treasurer to continue this role for another year.

The existence of an approved investment policy demonstrates that the Authority Board and staff are fiducially responsible, thereby promoting trust and confidence from the public that it serves. This annual review is done to ensure the Authority Board's continued oversight and approval of the policies, rules, and performance regarding the investment of Authority funds.

**Fiscal Impact:**

None.

**Authority Strategies:**

This item supports one or more of the Authority Strategies, as follows:

- Community Strategy     Customer Strategy     Employee Strategy     Financial Strategy     Operations Strategy

**Environmental Review:**

- A. CEQA: This Board action is not a project that would have a significant effect on the environment as defined by the California Environmental Quality Act ("CEQA"), as amended. 14 Cal. Code Regs. §15378. This Board action is not a "project" subject to CEQA. Cal. Pub. Res. Code §21065.
- B. California Coastal Act Review: This Board action is not a "development" as defined by the California Coastal Act. Cal. Pub. Res. Code §30106.

**Application of Inclusionary Policies:**

Not Applicable.

**Prepared by:**

SCOTT BRICKNER,  
VICE PRESIDENT FINANCE AND ASSET MANAGEMENT/TREASURER

RESOLUTION NO. 2017-0049

A RESOLUTION OF THE BOARD OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY APPROVING AMENDMENTS TO AUTHORITY POLICY 4.20 – POLICY GUIDELINES FOR PRUDENT INVESTMENTS, AND DELEGATING AUTHORITY TO INVEST AND MANAGE AUTHORITY FUNDS TO THE VICE PRESIDENT, FINANCE AND ASSET MANAGEMENT/ TREASURER

WHEREAS, San Diego County Regional Airport Authority Policy 4.20 establishes a policy governing the investment policies and practices of the San Diego County Regional Airport Authority (“Authority”); and

WHEREAS, the Association of Public Treasurers of the United States and Canada and the Government Finance Officers Association established policy standards recommending a review of a local government’s investment policy be conducted annually; and

WHEREAS, Policy 4.20 serves as the guideline for the Authority to ensure prudent management of its investments, having been submitted for regular review and adoption by the Authority Board in a public meeting; and

WHEREAS, Policy 4.20, as amended (EXHIBIT A), has been reviewed and approved by the Authority’s financial and investment advisors; and

WHEREAS, the Board has reviewed the investment record and desires to continue its delegation of authority to invest and manage the funds of the Authority to the Vice President, Finance and Asset Management/Treasurer.

NOW, THEREFORE, BE IT RESOLVED that the Board hereby approves amendments to Authority Policy 4.20 – Policy Guidelines for Prudent Investments; and

BE IT FURTHER RESOLVED that the Board delegates the authority to invest and manage the funds of the Authority to the Authority’s Vice President, Finance and Asset management /Treasurer; and

BE IT FURTHER RESOLVED that the Board finds that this Board action is not a “project” as defined by the California Environmental Quality Act (CEQA), Cal Pub. Res. Code §21065; and is not a “development” as defined by the California Coastal Act, Cal Pub. Res. Code §30106.

PASSED, ADOPTED, AND APPROVED by the Board of the San Diego County Regional Airport Authority at a regular meeting this 1<sup>st</sup> day of June, 2017, by the following vote:

AYES: Board Members:

NOES: Board Members:

ABSENT: Board Members:

ATTEST:

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TONY R. RUSSELL  
DIRECTOR, CORPORATE &  
INFORMATION GOVERNANCE/  
AUTHORITY CLERK

APPROVED AS TO FORM:

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AMY GONZALEZ  
GENERAL COUNSEL

## SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

### POLICIES

**ARTICLE 4 - FINANCE AND ACCOUNTING**  
**PART 4.2 - INVESTMENTS**  
**SECTION 4.20 - POLICY GUIDELINES FOR PRUDENT INVESTMENTS**

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**PURPOSE:** To establish a policy governing the investment policies and practices of the San Diego County Regional Airport Authority (the “**Authority**”), including risk management.

**POLICY STATEMENT:**

It is the policy of the Authority to invest public funds in a manner that will provide the highest security of the funds under management while meeting the daily cash flow demands of the Authority. The investment policies and practices of the Authority are based upon prudent money management and conform to all state and local statutes governing the investment of public funds.

This policy also addresses risk management because risk management is an integral part of managing a fixed income portfolio. To focus only on maximizing return is imprudent; therefore, policy issues will be directed to limiting the investment portfolio’s exposure to each issue and issuer of debt and criteria for establishing minimum credit requirements that firms must have in order to effect security transactions with the Authority.

(1) Scope. This investment policy applies to all the Authority’s investment activities, except for the Employees Retirement and Deferred Compensation funds, which are administered separately. In addition, in the event of a conflict between this policy and permitted investments of bond proceeds as defined by a master indenture or supplemental indenture (“**Indenture**”) associated with any Authority debt issuance, the more restrictive parameters of either Cal. Gov. Code or the Indenture will take precedence. The financial assets of all other Authority funds shall also be administered in accordance with the provisions of this policy.

(2) Objectives.

(a) Safety of Principal. Safety of principal is the Authority’s foremost objective. To accomplish this objective, diversification is required in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio. Each investment transaction shall seek to ensure that capital losses are avoided, whether from issuer default, broker/dealer default or erosion of market value. The Authority shall seek to preserve principal by mitigating credit risk and market risk.

(i) Credit risk is the risk of loss due to failure of the issuer to repay an obligation and shall be mitigated by investing in only the highest quality credits and by diversifying the investment portfolio so that the failure of any one issuer would not unduly harm the Authority's cash flows.

(ii) Market risk is the risk of market value fluctuations due to overall changes in the general level of interest rates and shall be mitigated by:

(A) structuring the portfolio so that securities mature at the same time major cash outflows occur, thereby eliminating the need to sell securities prior to their maturity; and

(B) limiting the average maturity of the Authority's portfolio to three years, Furthermore, no investments will be made in any security with a maturity greater than five years unless the Board has granted its express authority to make such investment specifically or as a part of an investment program approved by the Board no less than three months prior to the investment.

It is explicitly recognized, however, that in a diversified portfolio occasional losses may be inevitable and must be considered within the context of overall investment return.

(b) Liquidity. The Authority's investment portfolio will be structured to provide sufficient liquidity to meet the operating requirements of the Authority.

(c) Return on Investment. State law requires that the objective of return on investment be subordinate to the objectives of safety and liquidity. Therefore, investment officials shall seek to achieve a return on the funds under their control throughout all economic cycles, taking into consideration the Authority's investment risk constraints and cash flow requirements.

(3) Authority to Invest Funds.

(a) Policy principles for investment of Authority funds. Monies entrusted to the Authority will be invested and actively managed pursuant to applicable California statutory limitations and the guidance and limitations set forth in the Authority's written policies. Authority for the management and investment of Authority funds rests with the Authority Board of Directors ("**Board**"). The Board promulgates the policy for investment and management of Authority funds and conducts periodic reviews to ensure compliance with policy and statutory requirements. All persons authorized to make investment decisions for the Authority are trustees of the Authority and owe the Authority a fiduciary duty. All trustees are bound by the prudent investor rule, which requires trustees in making decisions with regards to the Authority's funds to act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency.

Trustees of Authority funds are relieved of personal responsibility for an individual security's risk or market price changes where the trustees at all times were acting in accordance with written procedures and this investment policy, exercising due diligence, taking timely and appropriate action to control adverse developments, and provided timely appropriate reports to the Board regarding the adverse developments with an investment.

(b) Delegation of investment authority to Treasurer. The Board delegates the authority to invest and manage the funds of the Authority to the Authority's Treasurer. Such delegation shall be on a fiscal year basis and subject to renewal by the Board, at its option, after appropriate review of the investment record. The Board reserves the right to revoke the delegation of investment authority at its discretion. The Treasurer shall report to the board the status of Authority's investment portfolio in accordance with Sections (10)(a) and (b) of this policy. Whenever a security is sold at a loss, the Treasurer will record the loss as such in the Authority's accounting system. The Treasurer shall designate in writing an officer or employee of the Authority who shall have authority to execute or authorize execution of an investment trade on behalf of the Authority when the Treasurer is not reasonably available and circumstances require timely action.

(c) Treasurer's responsibility for investments. Investment and management of the Authority's funds shall be solely the responsibility of the Authority's Treasurer, who shall take necessary measures to be fully informed on current market conditions and market trends in general and the condition of the Authority's investment portfolio in particular. The Treasurer shall establish and periodically review for currency and adequacy a system of controls to ensure compliance with the applicable statutory requirements and the Authority's investment policies. The system of controls shall also provide for regulation of subordinate officers and employees as well as investment advisors under contract with the Authority.

(d) Execution of trades by authorized investment advisor. Where the Board has approved a contract for a registered independent investment advisor to assist the Treasurer in the discharge of investment responsibilities and where the Treasurer has approved in writing a strategy to guide the investment of Authority funds, the Treasurer may authorize the investment advisor to execute trades on behalf of the Authority to effectuate the approved investment strategy. The Treasurer shall make such delegation via a document that specifies the boundaries of the delegated authorization. The investment advisor designated to execute trades on behalf of the Authority shall be bound by this policy of the Authority and the Treasurer's written approval of the investment strategy. Authorizing the investment advisor to execute trades on behalf of the Authority does not relieve the Treasurer of responsibility for management and oversight of all investment transactions involving Authority funds. The Treasurer or designated Authority officer or employee, as provided in Section 3(b), when the Treasurer is not reasonably available and circumstances require timely action, must approve in writing all investment transactions that exceed a market value of five million dollars (\$5,000,000) prior to execution of the trade. The investment advisor shall not execute any trade through any security broker in whom the investment advisor holds an ownership interest or has a financial interest. The investment advisor shall not take possession of or act as custodian for the cash, securities or other assets. The investment advisor shall provide a written report of all trades made on behalf of the Authority to the Treasurer within twenty-four (24) hours of trade execution.

(4) Ethics and Conflicts of Interest. The Board, Authority officers or Authority employees involved in the investment process shall refrain from any activity that could conflict with proper execution of the investment program or which could impair the Authority's Treasurer's ability to make impartial investment decisions. Authority staff involved with the investment process shall disclose to the Authority's Treasurer any financial interest in financial institutions that conduct business with the Authority and they shall further disclose any personal financial and/or investment positions that could be related to the performance of the Authority's portfolio. Board members, Authority officials and Authority employees shall subordinate their personal investment transactions to those of the Authority, particularly with regard to the time of purchases and sales.

(5) Placement of Trade Execution Orders.

- (a) Whenever possible, investment transactions shall be made via a competitive process to ensure the Authority's security transactions are made on terms most favorable to the Authority. Trade execution shall be only through firms registered with the Financial Industry Regulatory Authority (FINRA) and approved by the Treasurer. To ensure security transactions are made via the most competitive process, solicitation of bids to transact a security trade shall be provided equally to all security dealers approved by the Treasurer pursuant to the section (5)(b) of this policy. This policy permits the Authority to purchase investments directly from approved issuers who require no competitive process (e.g., Local Agency Investment Fund (LAIF), the San Diego County Investment Pool (SDCIP), and Local Government Investment Pools (LGIPs).
- (b) Other than investments with depository institutions and approved pools, the Treasurer shall only execute trades with security dealers that have been approved to execute security trades on behalf of the Authority. Prior to approving a security dealer to execute security trades, the Treasurer shall determine that the dealer is fully qualified to execute security trades for the Authority. In evaluating whether a specific dealer is so qualified, the Treasurer shall evaluate, at a minimum, the dealer's security registration, financial condition, standing in the investment community, and experience with security trades of the nature to be executed on behalf of the Authority. To be qualified, all financial institutions and broker/dealers who desire to become qualified bidders for investment transactions must supply the following information on an annual basis: (1) audited financial statements; (2) proof of Financial Industry Regulatory Authority (FINRA) certification; (3) a trading resolution; (4) proof of California registration; and (5) a completed broker/dealer questionnaire.
- (c) Where the Board has approved a contract for a registered independent investment advisor to assist the Treasurer in the discharge of the investment responsibilities, the Treasurer may rely on the advisor's assurances that specific security dealers are fully qualified to execute trades on behalf of the Authority. The investment advisor shall provide such assurances in writing and shall renew the assurances based on an annual review of the financial condition and registrations of qualified bidders.

(6) Authorized Investments.

The Authority is authorized by the applicable sections of Cal. Gov. Code §16429.1, §53600 *et seq.* and §53630 *et seq.* to invest in the following types of securities, further limited herein:

(a) United States Treasury Bills, Bonds and Notes or those for which the full faith and credit of the United States are pledged for payment of principal and interest. There is no limitation as to the percentage of the portfolio that can be invested in this category. Cal. Gov. Code §53601(b)

(b) Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises. There is no limitation as to the percentage of the portfolio that can be invested in this category. Cal. Gov. Code §53601(f)

(c) United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank, with a maximum remaining maturity of five years or less, and eligible for purchase and sale within the United States. Investments under this subdivision shall be rated in a rating category of "AA" or its equivalent or better by an NRSRO and shall not exceed 30 percent of the portfolio. Cal. Gov. Code §53601(q)

(d) Bills of exchange or time drafts drawn on and accepted by a commercial bank, otherwise known as bankers acceptances which are eligible for purchase by the Federal Reserve System and are rated in the highest category by a nationally recognized statistical rating organization (NRSRO), may not exceed 180 days to maturity or 40% of the market value of the portfolio. No more than 10% of the market value of the portfolio may be invested in banker's acceptances issued by any one bank. Cal. Gov. Code §53601(g)

(e) Commercial paper of "prime" quality of the highest ranking or of the highest letter and number rating as provided for by a NRSRO. The entity that issues the commercial paper shall meet all of the following conditions in either paragraph (1) or paragraph (2):

(1) The entity meets the following criteria: (i) Is organized and operating in the United States as a general corporation. (ii) Has total assets in excess of five hundred million dollars (\$500,000,000). (iii) Has debt other than commercial paper, if any, that is rated in a rating category of "A" or its equivalent or higher by a NRSRO.

(2) The entity meets the following criteria: (i) Is organized within the United States as a special purpose corporation, trust, or limited liability company. (ii) Has program wide credit enhancements including, but not limited to, over collateralization, letters of credit, or surety bond. (iii) Has commercial paper that is rated "A-1" or higher, or the equivalent, by a NRSRO.

Eligible commercial paper shall have a maturity of 270 days or less. No more than 25% of the market value of the portfolio may be invested in commercial paper. No more than 10% of the market value of the portfolio may be invested in the commercial paper of

any single issuer. The amount invested in commercial paper of any one issuer in combination with any other securities from that issuer shall not exceed 10% of the market value of the portfolio. Cal. Gov. Code §53601(h)

(f) Negotiable Certificates of Deposit (NCDs) issued by a nationally or state-chartered bank, a state or federal savings institution or by a federally licensed or state licensed branch of a foreign bank. The amount invested in Negotiable Certificates of Deposit (NCDs) may not exceed 30% of the market value of the portfolio. NCDs eligible for purchase shall be rated in a rating category of “A” or its equivalent or better by a NRSRO. The maximum term for NCDs shall be five years. The amount invested in NCDs of any one issuer in combination with any other securities from that issuer shall not exceed 10% of the market value of the portfolio. Cal. Gov. Code §53601(i)

(g) Placement Service Deposits (PSDs). Deposits placed through a deposit placement service that meet the requirements of Cal. Gov. Code §53601.8. The full amount of the principal and the interest that may be accrued during the maximum term of each certificate of deposit shall at all times be insured by federal deposit insurance. The maximum term for PSDs shall be three years. The amount invested in Placement Service Deposits (PSDs) may not exceed 30% of the market value of the portfolio. Cal. Gov. Code §53601.8 and 53635.8

(h) Bank Deposits, including, but not limited to, demand deposit accounts, savings accounts, market rate accounts and time certificates of deposits (“TCDs”) in financial institutions located in California. The Authority will invest in financial institutions with a net worth of ten million dollars and total assets in excess of \$50 million. Such deposits in each bank shall be limited to no more than 5% of the total assets of the bank. To be eligible to receive Authority deposits, the financial institution must have received a minimum overall satisfactory rating, under the Community Reinvestment Act, for meeting the credit needs of California Communities in its most recent evaluation. Bank deposits are required to be collateralized as specified under Cal. Gov. Code §53630 *et seq.* The Treasurer may waive the collateralization requirements for any portion that is covered by federal deposit insurance. The Authority shall have a signed agreement with any depository accepting Authority funds per Cal. Gov. Code §53649. The maximum maturity of TCDs is three years. A maximum of 20% of the market value of the portfolio may be invested in TCDs. The amount invested in TCDs of any one issuer in combination with any other securities from that issuer shall not exceed 10% of the market value of the portfolio. Cal. Gov. Code §53630 *et seq.*

(i) Medium Term Notes (MTNs), defined as all corporate and depository institution debt securities with a maximum remaining maturity of five years or less, issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States rated in a rating category of “A” or its equivalent or better by a NRSRO and be issued by a corporation organized and operating within the United States. The aggregate total of MTNs may not exceed 15% of the market value of the investment portfolio. The amount invested in MTNs of any one issuer in combination with any other securities from that issuer shall not exceed 10% of the market value of the portfolio. Cal. Gov. Code §53601(k)

(j) Repurchase agreements (RPAs) shall only be made with financial institutions having a credit rating ~~in the rating category of not less than~~ “A” or its equivalent or better by a NRSRO. The Security Industry and Financial Markets Association (SIFMA) master repurchase agreement shall be the Authority’s master repurchase agreement.

The term of the agreement may not exceed one year.

The following collateral restrictions will be observed: Only U.S. Treasury securities or Federal Agency securities, as described in 6(a) and 6(b) above, will be acceptable collateral. All securities underlying Repurchase Agreements must be delivered to the Authority's custodian bank versus payment or be handled under a tri-party repurchase agreement. The total of all collateral for each Repurchase Agreement must equal or exceed, on the basis of market value plus accrued interest, 102% of the total dollar value of the money invested by the Authority for the term of the investment. Since the market value of the underlying securities is subject to daily market fluctuations, the investments in repurchase agreements shall be in compliance if the value of the underlying securities is brought back up to 102% no later than the next business day. For any Repurchase Agreement with a term of more than one day, the value of the underlying securities must be reviewed on a regular basis.

Market value must be calculated each time there is a substitution of collateral.

The Authority or its trustee shall have a perfected first security interest under the Uniform Commercial Code in all securities subject to Repurchase Agreement. Cal. Gov. Code §53601(j)

(k) The Local Agency Investment Fund (“**LAIF**”), established by the State Treasurer for the benefit of local agencies and identified under Cal. Gov. Code §16429.1 *et seq.* The market value of the Authority’s investment in LAIF may not exceed the current deposit limit for regular LAIF accounts.

(l) The San Diego County Investment Pool (“**SDCIP**”) as authorized by Cal. Gov. Code §53684. The market value of the Authority’s investment in SDCIP may not exceed the current deposit limit for regular LAIF accounts.

(m) Shares of beneficial interest issued by a joint powers authority (Local Government Investment Pools or (“**LGIPs**”)) organized pursuant to Cal. Gov. Code §6509.7 that meet the requirements of the Investment Trust of California (CalTRUST), as authorized by California Government Code §53601(p). The market value of the Authority’s investment in each of the CalTRUST funds may not exceed the current deposit limit for regular LAIF accounts.

(n) Shares of beneficial interest issued by a joint powers authority (Local Government Investment Pools or (“**LGIPs**”)) organized pursuant to Cal. Gov. Code §6509.7 that meet the requirements of Cal. Gov. Code §53601(p). The market value of the Authority’s investment in any LGIP may not exceed the LAIF statutory limit. Prior to investing, the Treasurer will complete a thorough investigation of the potential investment. Whenever the Authority has any funds so invested, the Treasurer shall maintain on-going monitoring including the following:

(i) Establish the investment is a legal investment under Cal. Gov. Code.

(ii) A description of eligible investment securities, and a written statement of investment policy and objectives. All investments must comply with the eligible

investments outlined in this policy. In the event that any investments do not comply with the eligible investments outlined in this Policy, the Treasurer will assess the potential risk of a substantial investment loss related to the investment(s) not in compliance.

(iii) The issuer must have a current AAAM rating, provide a constant dollar pool with a stated objective of maintaining a \$1 net asset value, meet an asset size of \$1 billion at the time of investment, and provide for third-party custody of portfolio assets.

(iv) A description of interest calculations and how it is distributed, and how gains and losses are treated.

(v) A description of how the securities are safeguarded (including the settlement processes), and how often the securities are priced and the program audited.

(vi) A description of who may invest in the program, the type and number of governmental participants, investor concentrations, what size deposit and withdrawal are allowed, and what time restrictions are placed on these deposits and withdrawals.

(vii) A schedule for receiving statements and portfolio listings.

(viii) Determination of how reserves, retained earnings, etc. are utilized by the fund.

(ix) A fee schedule, and when and how it is assessed. Cal. Gov. Code §53601(p).

(o) The Authority may place funds in shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. §80a-1 *et seq.*). Investment in money market funds may not exceed 20% of the market value of the portfolio with no more than 10% of the market value of the portfolio in any single fund. Additionally, each selected fund shall be large enough that the Authority's investment does not constitute more than 5% of the total fund balance. To be eligible for investment, these companies shall either:

(i) Attain the highest ranking or the highest letter and numerical rating provided by not less than two of the three largest nationally recognized rating services, or

(ii) Retain an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than 5 years' experience managing money market mutual funds with assets under management in excess of \$500,000,000. Cal. Gov. Code §53601(l)

(p) The Authority may invest in: (i) Registered state warrants or treasury notes or bonds of this state including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of this state; (ii) Registered treasury notes or bonds issued by any of the other 49 States in addition to California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any state; and (iii) Bonds, notes, warrants or other evidence of debt issued by a

local agency or municipality located within California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency, or by a department, board, agency, or authority of the local agency. Securities eligible for investment under this paragraph shall be rated in a rating category of at least "A" or its equivalent or better by a NRSRO. Purchase of securities authorized by this subdivision may not exceed 20% of the Authority's portfolio. The amount invested with any one issuer shall not exceed 5% of the portfolio. Cal. Gov. Code §53601 (c), (d), (e).

(q) **Permitted Investment for Bond Proceeds.** All investment types listed above are authorized investments for bond proceeds. The percentage or dollar limitations listed above do not apply to bond proceeds investments. In addition to the above investments, bond proceeds may be invested in the following:

Investment agreement or guaranteed investment contract (a) with or guaranteed by a national or state chartered bank or savings and loan, an insurance company or other financial institution whose unsecured debt is rated in the highest short-term rating category (if the term of the Investment Agreement is less than three years) or in either of the two highest long-term Rating Categories (if the term of the Investment Agreement is three years or longer) by one or more of the Rating Agencies, or (b) which investment agreement or guaranteed investment contract is fully secured by obligations described in items (a) or (b) of this section which are the following:

- (i) Valued not less frequently than monthly and have a fair market value, exclusive of accrued interest, at all times at least equal to 103% of the principal amount of the investment, together with the interest accrued and unpaid thereon, and
- (ii) Held by any Federal Reserve Bank or a depository acceptable to the Treasurer or any Authority bond trustee, and
- (iii) Subject to a perfected first lien on behalf of the Authority or any bond trustee and free and clear from all third-party liens

The Board has expressly granted the Treasurer the authority to invest debt service reserve funds in U.S. Treasury, federal agency, municipal securities and investment agreements (which meet the requirements of this Investment Policy and the Indenture) with maturities exceeding 5 years if it is considered to be in the best interest of the Authority and if the maturity of such investments does not exceed the expected use of the funds. Reserve fund investments beyond 5 years are specifically excluded from the mathematical calculation of the average maturity of the Authority's portfolio.

(7) **Prohibited Investments.** Investments not described herein, including but not limited to, inverse floating rate notes, range notes, interest-only strips that are derived from a pool of mortgages, and common stocks are prohibited from use in this portfolio. The Authority shall not invest any funds in any security that could result in zero interest accrual and zero discount accretion if held to maturity. Cal. Gov. Code §53601.6

(8) **Safekeeping of Securities.** To protect against potential losses by the collapse of individual securities dealers, all securities owned by the Authority shall be held in safekeeping

by a third person bank trust department acting as agent for the Authority under the terms of a custody agreement executed by the bank and the Authority. All securities will be received and delivered using standard delivery versus payment procedures. The only exception to the foregoing shall be: (i) LAIF; (ii) the SDCIP; (iii) LGIPs; (iv) money market mutual funds, and (v) Deposits (TCDs & PSDs), since the purchased securities are not deliverable. A record of these investments shall be held by the Treasurer.

All investment officers shall be bonded and all investment accounts subject to surprise audits performed no less than on a quarterly basis.

(9) Portfolio Limitations. Percentage limits and credit criteria are applied at the time of purchase. If a percentage-of-portfolio limitation is exceeded due to reduction in portfolio size, the affected securities may be held to maturity to avoid losses. When no loss is indicated, the Authority's Treasurer shall consider restructuring the portfolio basing the decision in part on the expected length of time the portfolio will be imbalanced. The Treasurer shall report all such imbalances in the monthly report to the Board. In the event that an investment originally purchased within policy guidelines is downgraded below the policy requirements by any one of the NRSROs, the course of action to be followed by the Treasurer will then be decided on a case-by-case basis, considering such factors as the reason for the downgrade, prognosis for recovery or further rating downgrades, and the market price of the security.

(10) Reporting Requirements.

(a) In accordance with Cal. Gov. Code §53646, on a quarterly basis, the Authority's Treasurer shall prepare in accordance with GAAP and GASB 31 a report detailing investments and investment activity and transmit same to the Executive Officer, the Internal Auditor and the Board.

(i) The report shall be submitted within 30 days of the end of the quarter covered by the report.

(ii) The report shall include the type of investment, issuer, date of maturity, par and dollar amount invested on all securities, investments and monies held by the Authority.

(iii) The report shall include a description of any funds, investments, or programs that are under the management of contracted persons.

(iv) The report shall also include a current market value on a market-to-market basis as of the report date using an established identified independent source for the valuation.

(v) The report shall state compliance of the portfolio to the statement of investment policy or the manner in which it is not in compliance.

(vi) The report shall state the Authority's ability to meet its budgeted expenditure requirements for the next six months or to explain why sufficient money may not be available.

(b) In accordance with Cal. Gov. Code §53607, the Authority's Treasurer shall make a monthly report of investment transactions to the Board.

(11) Internal Control. The development of internal controls is a function of management. The Authority's Treasurer shall establish and document a system of internal controls that will provide reasonable assurance regarding the achievement of objectives in the following categories:

- Safeguarding assets
- Ensuring validity of financial records and reports
- Promoting adherence to policies, procedures, regulations and laws
- Promoting effectiveness and efficiency of operations

In addition, the Authority's Treasurer shall:

- (a) Establish an annual process of an independent review by an external examiner.
- (b) Develop performance standards. Those performance standards will be reviewed by the Treasurer and presented as an information item to the President/CEO and the Board. On a quarterly basis, as part of the reporting requirements the Authority's Treasurer shall report actual compared to the performance standard and any substantial deviations shall be explained.
- (c) Review the Authority's investment policy annually at a public meeting and obtain Board approval and adoption of the policy to ensure its consistency with the Authority's objectives of preservation of principal, liquidity, rate of return and the policy's relevance to current law and financial and economic trends. The Authority's Treasurer is responsible for maintaining guidance over the Authority's investment policy and ensuring that the Authority can adapt readily to changing market conditions and shall submit to the Board any modification to the investment policy prior to implementation.

(12) Glossary of Terms.

**Asked:** The price at which securities are offered (that is, the price at which a firm will sell a security to an investor).

**Bankers' Acceptance (BA):** A draft or bill of exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill, as well as the issuer.

**Bid:** The price offered for securities (that is, the price at which a broker or dealer will pay to purchase a security an investor owns).

**Broker:** A broker brings buyers and sellers together for a commission paid by the initiator of the transaction or by both sides; he does not take a position. In the money market, brokers are active in markets in which banks buy and sell money and in interdealer markets.

**Certificate of Deposit (CD):** See: Time Certificate of Deposits, Negotiable Certificates of Deposits.

**Collateral:** Securities, evidence of deposit or other property, which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

**Commercial Paper (CP)** - An unsecured short-term promissory note issued by corporations and local governments, with maturities ranging from 1 to 270 days. Commercial paper is usually issued at a discount from par with a zero coupon. Highly-rated, or “Prime” commercial paper carries a Standard & Poor’s rating of A1 or A1+, a Moody’s rating of P1, and/or a Fitch rating of F1 or F1+.

**Constant Maturity Treasury (CMT)** – A calculated average released by the Federal Reserve of all Treasury yields along a specific maturity point. This calculation is frequently used as a benchmark for conservative government portfolios.

**Coupon:** (a) The annual rate of interest that a bond’s issuer promises to pay the bondholder on the bond’s face value; (b) A certificate attached to a bond evidencing interest due on a payment date.

**Dealer:** A dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling for his or her own account.

**Debenture:** A bond secured only by the general credit of the issuer.

**Delivery versus Payment:** There are two methods of delivery of securities: delivery versus payment and delivery versus receipt (also called free delivery). Delivery versus payment is delivery of securities with an exchange of money for the securities. Delivery versus receipt is delivery of securities with an exchange of a signed receipt for the securities.

**Discount:** The difference between the cost price of a security and its value at maturity when quoted at lower than face value. A security selling below original offering price shortly after sale also is considered to be selling at a discount.

**Diversification:** Dividing investment funds among a variety of securities offering independent returns.

**Federal Farm Credit Bank (FFCB):** The Federal Farm Credit Bank System is the oldest of the government sponsored enterprises, created by an act of Congress in 1916. Its mission is to provide a reliable and low cost source of funds to support agriculture in the United States. Unlike commercial banks, System banks do not take deposits. Instead, funds for loans are obtained through the issuance of debt securities. FFCB long-term senior debt ratings have traditionally mirrored those of the U.S. government.

**Federal Home Loan Banks:** Federal Home Loan Banks provide a source of low cost loan funding to U.S. banks. Within their collective membership, the FHLBank System represents the largest source of home mortgages in the United States. The System does

not provide loans directly to individuals, only to other correspondent banks. System banks do not take deposits. Instead, funds for loans are obtained through the issuance of debt securities. FHLB long-term senior debt ratings have traditionally mirrored those of the U.S. government.

**Federal Home Loan Mortgage Company (FHLMC or “Freddie Mac”):** The Federal Home Loan Mortgage Corporation (FHLMC), commonly referred to as “Freddie Mac”, was created in 1970 to assist its sister company, Fannie Mae, by purchasing mortgage loans in the secondary market, pooling them together, and selling them to investors in the form of mortgage-backed securities. By providing a secondary market for home loans, Freddie Mac increases the amount of money available for mortgage lending. In September 2008, Freddie was placed under Federal government conservatorship as a result of a decline in the underlying market value of the mortgage loans it held and guaranteed. Like Fannie Mae, Freddie Mac issues debt in maturity ranges from one-day to 30 years, and its long-term senior debt rating has traditionally mirrored U.S. Treasury debt due to its reliance on the U.S. government.

**Federal National Mortgage Association (FNMA or “Fannie Mae”):** The Federal National Mortgage Association (FNMA), commonly referred to as “Fannie Mae”, was created in 1938 during the Great Depression to provide a secondary market for mortgage loans by purchasing groups of loans from lenders and packaging them into pools of mortgage-backed securities that can then be sold to investors. To facilitate this process, Fannie Mae also issues debt in maturity ranges from one-day to 30 years. The company’s long-term senior debt rating has traditionally mirrored U.S. Treasury debt due to its reliance on the U.S. government. Although Fannie Mae had operated as a private company since 1968, it was placed under Federal government conservatorship in September 2008 as a result of a decline in the underlying market value of the mortgage loans it held and guaranteed.

**Government National Mortgage Association (GNMA or “Ginnie Mae”):** Long-term mortgage-backed securities backed by FHA and VA loans guaranteed by the full faith and credit of the U.S. Treasury. The term “pass-through” is often used to describe Ginnie Mae securities as principal and interest payments from the underlying homeowners are passed along to investors.

**Federal Open Market Committee (FOMC):** A group of Federal Reserve Officials that meet eight times per year to set U.S. monetary policy (raises and lowers interest rates). The Committee must balance its two primary and often conflicting objectives of achieving stable economic growth and keeping inflation at acceptable levels

**Fed or Federal Reserve Bank:** The Central Bank of the U.S. responsible for supervising and regulating member banks, providing banking services, providing information, and setting monetary policy through the FOMC.

**International Bank for Reconstruction and Development (IBRD or World Bank).** The International Bank for Reconstruction and Development was created in 1944 to help Europe rebuild after World War II. Today, its purpose is to assist with reconstruction and

poverty reduction through an inclusive and sustainable globalization. The IBRD is owned and governed by its member governments. The United States is the IBRD's leading shareholder.

**International Finance Corporation (IFC):** The IFC is a member of the World Bank Group. Its focus is on assisting with private sector development in developing countries. The IFC is owned and governed by its member governments. The United States is the IFC's leading shareholder.

**Inter-American Development Bank (IADB):** The IADB was established in 1959 to Provide financing and expertise for sustainable economic, social, and institutional development in Latin America and the Caribbean. The IADB is owned and governed by its member governments. The United States is the IADB's leading shareholder.

**Inverse Floating Rate Note:** A debt security with an interest rate stated as a fixed rate minus a variable rate index. This calculation causes the rate on the inverse floater to move in the opposite direction of general interest rates. This instrument generally performs well in a declining interest rate environment but will lose value if rates rise.

**Liquidity:** A liquid asset is one that can be converted easily and rapidly into cash without a substantial loss of value. In the money market, a security is said to be liquid if the spread between the bid and asked prices is narrow and reasonable size can be done at those quotes.

**Local Government Investment Pools (LGIPs):** Shares of beneficial interest issued by a joint powers authority organized pursuant to Cal. Gov. Code §6509.7. LGIPs offer a diversification alternative to LAIF and SDCIP for short-term cash management facilities.

**Market Value:** The price at which a security is trading and could presumably be sold.

**Master Repurchase Agreement:** A written contract covering all future transactions between counterparties to repurchase agreements and reverse repurchase agreements that establish each entity's rights in the transactions. A master agreement will often specify, among other things, the right of the buyer-lender to liquidate the underlying securities in the event of default by the seller-borrower.

**Maturity:** The date upon which the principal or stated value of an investment becomes due and payable.

**Medium Term Notes:** A class of debenture that is defined as all corporate and depository debt securities with a maximum remaining maturity of five years or less.

**Money Market:** The market in which short-term debt instruments (bills, commercial paper, bankers' acceptance, etc.) are issued and traded.

**Nationally Recognized Statistical Rating Organization (NRSRO):** A credit rating agency (CRA) that issues credit ratings that the U.S. Securities and Exchange Commission (SEC) permits other financial firms to use for certain regulatory purposes.

**Negotiable Certificate of Deposit (NCD):** A type of CD that is at least \$100,000 and can also be traded on a highly liquid secondary market.

**Placement Service Deposit (PSD):** A type of deposit that uses a deposit placement service. The placement service will allow the bank with which the investment is placed to split the initial deposit into multiple pieces that are then distributed among a network of banks, such that the full amount of the deposit is protected by the FDIC insurance of each participating bank.

**Portfolio:** Collection of securities held by an investor.

**Primary Dealer:** A group of government securities dealers that submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its oversight. Primary dealers include Securities and Exchange Commission (SEC) registered securities, broker/dealers, banks and a few unregulated firms.

**Prudent Investor Standard:** A legal doctrine that requires fiduciaries to make investments using the prudence, diligence, and intelligence that would be used by a prudent person in making similar investments.

**Rate of Return:** A standard performance measurement that considers the coupon interest a security or portfolio of securities receives, along with any realized gain or loss, along with any change in unrealized market gain or loss. Depending on market volatility, the rate of return could differ significantly from the average yield of a portfolio.

**Rating Agency:** Nationally recognized credit rating agency such as Fitch, Moody's or S&P.

**Rating Category:** A credit rating assignment by a Rating Agency shall mean (a) with respect to any long-term rating category, all ratings designated by a particular letter or combination of letters, without regard to any numerical modifier, plus or minus sign or other modifier, and (b) with respect to any short-term or commercial paper rating category, all ratings designated by a particular letter or combination of letters and taking into account any numerical modifier, but not any plus or minus sign or other modifier.

**Repurchase Agreement (RP or Repo):** A type of financial agreement in which an investor exchanges cash for securities with a primary dealer or bank and earns a fixed rate of interest for a specified period. At the end of the period, securities are returned in exchange for the principal amount, along with accrued interest. Dealers and banks use repo proceeds to finance their inventory positions.

**Safekeeping:** A service to customers rendered by banks for a fee whereby securities and valuables of all types and descriptions are held in the bank's vaults for protection.

**Sec Rule 15C3-1:** See Uniform Net Capital Rule.

**Securities and Exchange Commission:** Agency created by Congress to protect investors in securities transactions by administering securities legislation.

**Strip (Bonds):** Brokerage-house practice of separating a bond into its principal and interest, which are then sold as zero coupon bonds.

**Time Certificate of Deposit (CD):** A time deposit with a specific maturity evidenced by a certificate. Large denomination CDs are typically negotiable.

**Treasurer:** The Vice President of Finance/Treasurer of the Authority or the authorized designee or representative as designated by the President/Chief Executive Officer.

**Treasury Bill:** A non-interest bearing discount security issued by the U.S. Treasury to finance the national debt. Most bills are issued to mature in three months, six months or one year.

**Treasury Bond:** Long-term U.S. Treasury security having initial maturities of more than ten years.

**Treasury Note:** U.S. Treasury security having initial maturities between two and 10 years.

**Uniform Net Capital Rule:** Securities and Exchange Commission requirement that member firms as well as nonmember broker/dealers in securities maintain a maximum ratio of indebtedness to liquid capital of 15 to 1; also called net capital rule and net capital ratio. Indebtedness covers all money owed to a firm, including margin loans and commitments to purchase securities, one reason new public issues are spread among members of underwriting syndicates. Liquid capital includes cash and assets easily converted into cash.

**Yield:** The rate of annual income return on an investment, expressed as a percentage. (A) **Income Yield** is obtained by dividing the current dollar income by the current market price for the security. (B) **Net Yield or Yield to Maturity** is the current income yield minus any premium above par or plus any discount from par in purchase price, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond.

[Amended by Resolution No. 2016-0040 dated May 19, 2016]

[Amended by Resolution No. 2015-0043 dated May 21, 2015]

[Amended by Resolution No. 2014-0051 dated June 5, 2014]

[Amended by Resolution No. 2013-0049 dated June 6, 2013]

[Amended by Resolution No. 2012-0059 dated June 7, 2012]

[Amended by Resolution No. 2011-0064 dated June 2, 2011]

[Amended by Resolution No. 2010-0059 dated June 3, 2010]

[Amended by Resolution No. 2009-0123 dated October 1, 2009]

[Amended by Resolution No. 2008-0118 dated September 4, 2008]

[Amended by Resolution No. 2006-0010 dated February 6, 2006]

[Amended by Resolution No. 2005-0102 dated September 8, 2005]

[Amended by Resolution No. 2004-0133 dated December 6, 2004]

[Amended by Resolution No. 2004-0100 dated October 4, 2004]  
[Amended by Resolution No. 2004-0032 dated April 5, 2004]  
[Adopted Resolution No. 2002-02 dated September 20, 2002]

# ANNUAL REVIEW AND APPROVAL OF AMENDMENTS TO AUTHORITY POLICY 4.20



**SAN DIEGO**  
INTERNATIONAL AIRPORT

LET'S **GO.**

**Review of Investment Policy, Guidelines for Prudent Investments, and Delegation of Authority to Invest and Manage Authority Funds to the Vice President, Finance and Asset Management/Treasurer**

**Presented by:**

Geoff Bryant,

*Manager, Airport Finance*

# Investment Policy - Overview

- Serves as the foundation of investment goals and objectives
- Mandates investing in a manner that provides the highest security while meeting Authority cash flow needs
- Demonstrates our fiduciary responsibility, thereby promoting trust and confidence from the public we serve
- Adheres to or exceeds the requirements of California Government Code Section 53600 et seq.

# Investment Policy - Overview

- Adheres to state law requirements that return on investment be subordinate to safety and liquidity objectives
- Developed and annually reviewed in conjunction with our financial and investment advisors
- Annual Board review is not required by State Code, but is an Authority practice

# Investment Policy Amendments

State code was modified to clarify that the rating requirements specify the minimum credit rating category required at purchase without regard to “+” or “-” or “1, 2, 3” modifiers. This change effected the following Authorized Investments:

## Section (6)(c)

“United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank....Investments under this subdivision shall be rated **in a rating category of “AA” or its equivalent** or better by an NRSRO and shall not exceed 30 percent of the portfolio. Cal. Gov. Code §53601(q)”

# Investment Policy Amendments

The codes rating requirement revision applies to all of the Policy's sections that specify a credit rating requirement for purchase. Language to reflect this change was included in the following Authorized Investment sections:

Section (6)(e) Commercial paper,

Section (6)(f) Negotiable Certificates of Deposit (NCDs) ,

Section (6)(i) Medium Term Notes (MTNs),

Section (6)(j) Repurchase agreements (RPAs),

Section (6)(p) Registered treasury notes or bonds issued by a state or local agency

# Delegation of Investment Authority

- The board delegates the authority to invest and manage funds to the Vice President of Finance and Asset Management/Treasurer
- This delegation is on a fiscal year basis and subject to renewal by the Board

# Action Requested

- Adopt Resolution No. 2017-\_\_\_\_\_, approving amendments to Authority Policy 4.20 – Policy Guidelines for Prudent Investments, and delegating authority to invest and manage Authority funds to the Vice President, Finance and Asset Management/Treasurer.

Questions?



## **STAFF REPORT**

Meeting Date: **JUNE 1, 2017**

### **Subject:**

**Annual Review and Approval of Amendments to Authority Policy 4.40 – Debt Issuance and Management**

### **Recommendation:**

Adopt Resolution No. 2017-0050, approving amendments to Authority Policy 4.40 - Debt Issuance and Management Policy.

### **Background/Justification:**

The attached debt policy (Exhibit A) was developed in conjunction with the Authority's financial advisors and bond counsel and serves as the foundation of the Authority's debt issuance and management goals and priorities. The stated objectives are:

- Protect the assets and funds entrusted to the Authority;
- Manage and monitor existing debt to optimize financial structure, control costs and ensure compliance with bond financing covenants;
- Oversee the issuance of new debt in order to maintain access to capital markets and other sources of capital financing at a reasonable cost;
- Obtain and maintain the highest possible credit ratings on debt consistent with the overall objectives of the Authority;
- Explore and implement prudent debt structuring ideas when consistent with the debt issuance and management goals described herein;
- Provide the required secondary market disclosure to the rating agencies and investors; and,
- Comply with all federal and state laws and regulations, as well as bond indenture, federal tax and securities law compliance, and reimbursement agreement covenants;

On an annual basis staff reviews the policy with the Authority's financial advisors and bond counsel. After this year's review, there are certain changes to Policy 4.40 are recommended. The recommended changes to the policy (as indicated on Exhibit A) include language that:

- Reflects updates to California Government Code, including requirements that debt issuers: adopt a debt policy, meet certain additional ongoing reporting obligations and ensure debt proceeds are directed to the intended use;
- Adjusts the Debt per O&D enplanement target to a Debt per enplanement target
- Clarifies the Authority's intention to review and update Debt Service Coverage and Debt per Enplanement targets once there is more clarity relating to the Airport Development Plan
- Reflects that the Authority may not always seek ratings from more than two rating agencies;

**Page 2 of 2**

- Confirms the Authority currently makes use of Passenger Facility Charges (PFC's) for debt service payments and clarifies that the Authority may utilize additional PFC's over and above an irrevocable pledge to meet debt service commitments;
- Recognizes necessary changes required to disclosure requirements should the SEC expand compliance requirements;
- Emphasizes the significance of the Authority's web site in conjunction with rating agency and investor relations;
- Makes minor revisions to certain titles and descriptions;

The existence of an approved and current debt policy demonstrates that the Authority Board and staff are fiducially responsible, thereby promoting trust and confidence from the public that it serves.

**Fiscal Impact:**

None.

**Authority Strategies:**

This item supports one or more of the Authority Strategies, as follows:

- Community Strategy   
 Customer Strategy   
 Employee Strategy   
 Financial Strategy   
 Operations Strategy

**Environmental Review:**

- A. CEQA: This Board action is not a project that would have a significant effect on the environment as defined by the California Environmental Quality Act ("CEQA"), as amended. 14 Cal. Code Regs. §15378. This Board action is not a "project" subject to CEQA. Cal. Pub. Res. Code §21065.
- B. California Coastal Act Review: This Board action is not a "development" as defined by the California Coastal Act. Cal. Pub. Res. Code §30106.

**Application of Inclusionary Policies:**

Not Applicable.

**Prepared by:**

SCOTT BRICKNER,  
VICE PRESIDENT FINANCE AND ASSET MANAGEMENT/TREASURER

RESOLUTION NO. 2017-0050

A RESOLUTION OF THE BOARD OF THE  
SAN DIEGO COUNTY REGIONAL AIRPORT  
AUTHORITY, APPROVING AMENDMENTS TO  
AUTHORITY POLICY 4.40 – DEBT ISSUANCE AND  
MANAGEMENT POLICY

WHEREAS, San Diego County Regional Airport Authority Policy 4.40 establishes a policy governing the debt issuance and management policies and practices of the San Diego County Regional Airport Authority (“Authority”); and

WHEREAS, this policy serves as the guideline for the Authority to ensure prudent management of its debt, having been submitted for review and adoption by the Authority Board in a public meeting; and

WHEREAS, Policy 4.40, as amended (EXHIBIT A), has been reviewed and approved by the Authority’s financial advisors and bond counsel.

NOW, THEREFORE, BE IT RESOLVED that the Board hereby approves amendments to Authority Policy 4.40 – Debt Issuance and Management Policy; and

BE IT FURTHER RESOLVED that the Board finds that this Board action is not a “project” as defined by the California Environmental Quality Act (CEQA), Cal Pub. Res. Code Section 21065; and is not a “development” as defined by the California Coastal Act, Cal Pub. Res. Code 30106.

PASSED, ADOPTED, AND APPROVED by the Board of the San Diego County Regional Airport Authority at a regular meeting this 1<sup>st</sup> day of June, 2017, by the following vote:

AYES: Board Members:

NOES: Board Members:

ABSENT: Board Members:

ATTEST:

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TONY R. RUSSELL  
DIRECTOR, CORPORATE SERVICES/  
AUTHORITY CLERK

APPROVED AS TO FORM:

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AMY GONZALEZ  
GENERAL COUNSEL

# SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

## POLICIES

**ARTICLE 4 - FINANCE AND ACCOUNTING**

**PART 4.4 - DEBT**

**SECTION 4.40 - DEBT ISSUANCE AND MANAGEMENT POLICY**

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**PURPOSE:** To establish a policy governing the debt issuance and management policies and practices of the San Diego County Regional Airport Authority (the “**Authority**”).

### **POLICY STATEMENT:**

#### **SECTION I. INTRODUCTION & EXECUTIVE SUMMARY**

This comprehensive Debt Issuance and Management Policy (the “Policy”) contains the policies that govern existing and anticipated debt obligations. In addition, the Policy sets forth certain financial management practices in capital budgeting that will enhance the Authority’s ability to manage its outstanding debt and projected debt issuance. It is expected that the Policy will be updated from time to time to reflect changes in law and market practices.

Debt plays an important role in meeting the financial needs of the Authority since it provides the funding for the Authority to build projects today which will subsequently be repaid from future revenues. While the issuance of debt is frequently an appropriate method of financing capital projects, prudent financial management requires careful monitoring of debt issuance to ensure there is not an excessive reliance on debt and to preserve the Authority’s access to borrowed capital at competitive borrowing rates, while always maintaining sufficient liquidity. The term “debt” is used in this Policy to describe numerous types of financial obligations of the Authority which may include Bonds, Subordinate Obligations, Special Facility Obligations and other financings of the Authority.

The Authority’s debt issuance and management objectives are to:

- Manage and monitor existing debt to optimize financial structure, control costs and ensure compliance with bond financing covenants;
- Oversee the issuance of new debt in order to maintain access to capital markets and other sources of capital financing at a reasonable cost;
- Obtain and maintain the highest possible credit ratings on debt consistent with the overall objectives of the Authority;
- Explore and implement prudent debt structuring ideas when consistent with the debt issuance and management goals described herein;
- Provide the required secondary market disclosure to the rating agencies and investors;

- Comply with all federal and state laws and regulations, as well as bond indenture, federal tax and securities law post-issuance compliance, and reimbursement agreement covenants; and
- Protect the assets and funds entrusted to the Authority.

## **SECTION II. ROLES AND RESPONSIBILITIES**

The roles and responsibilities of key parties in administering, monitoring, and ensuring on-going compliance with this Policy include:

- 1) Board: The Authority is governed by an appointed board of nine members who represent all areas of San Diego County and three *ex-officio* members. The Board approves all bond issuances as well as the policies and guidelines pursuant to which debt is incurred and issued.
- 2) President/CEO and Vice President, Finance and Asset Management/Treasurer: The Vice President, Finance and Asset Management/Treasurer, under the direction of the President/CEO, is (i) responsible for developing, evaluating, implementing and monitoring the financing plan and debt strategies for the Authority in compliance with this policy, subject to Board approvals; ~~and (ii) is~~ in charge of federal tax and securities law post-issuance compliance with respect to all debt obligations; (iii) .—responsible for implementing and ensuring compliance with internal control procedures to ensure proceeds of the Authority’s debt obligations are directed to the intended use; and (iv) responsible for timely submitting to the California Debt and Investment Advisory Commission any annual debt report required under California Government Code Section 8855(k).
- 3) Registered Municipal Advisor: The Authority has chosen to deliver a Notice of Representation by Registered Municipal Advisor pursuant to SEC Rule 17 CFR Section 240.15Bal – 1(d)(3)(vi)(B) dated August 27, 2014 to notify investment banking firms that the Authority has retained a financial advisor and, among other things, will rely on advice of the financial advisor for recommendations on the issuance of municipal securities provided by investment banking firms. The Authority may amend or modify this notice from time to time.
- 4) Financial Professionals: All financial professionals performing services for the Authority’s debt programs, such as its financial advisor, bond counsel, disclosure counsel, investment advisor and underwriters, must comply with the policies and procedures set forth herein.

## **SECTION III. CAPITAL IMPROVEMENTS AND FINANCIAL PLANNING**

The Authority maintains a financing plan and model which projects the available sources and uses of funds and verifies the Authority’s financial ability to deliver current and planned programs and services. The impact of the funding sources, particularly debt, on future commitments is a relevant consideration of this Policy. The financing plan is based on a set of assumptions developed through detailed collection and analysis of historical and forecasted data concerning revenues and expenses, economic forecasts and trend projections. The main sources of revenues include airline rates and charges, parking and concession revenues, and lease revenues. Additionally, Passenger

~~Facilities~~ Facility Charges (PFCs), Customer Facility Charges (CFCs), and federal grants-in-aid are included as a funding source for certain eligible projects.

The Authority's annual operating budget will ensure that sufficient resources are provided from current revenues to: 1) finance the current fiscal year's requirements for ongoing operating and maintenance needs; 2) provide reserves for periodic replacement and renewal; 3) fund the annual requirements of the maintenance, operating and other reserves; and 4) meet any debt service coverage requirements.

Both the capital plan and the financing plan shall be updated periodically as part of the budget process. It is the goal of the Authority to adopt its capital plan on a rolling five year forward basis. Both plans will comply with the Policy, paying particular attention to all relevant target debt affordability indicators.

#### **SECTION IV. DEBT TARGETS**

The President/CEO and the Vice President, Finance and Asset Management/Treasurer will recommend to the Board the amount, term and type of debt needed to meet the Authority's short-term and long-term financing requirements. In such determinations, issues of debt capacity, amortization period and impact on rates and charges affordability will be considered, guided by the use of target debt capacity affordability indicators for measuring the affordability of additional borrowing.

The following are the target debt affordability indicators for the Authority. The Authority will regularly review and may re-evaluate certain targets from time to time as long-term master plan requirements may be defined.

##### 1) Rate Covenants

The Authority has covenanted in the Master Indenture to comply with the senior lien Rate Covenant, as summarized below:

Bonds – Under the Master Indenture, the Authority has covenanted that it will establish, fix, prescribe and collect rates, tolls, fees, rentals and charges in connection with the Airport System so that Net Revenues, which are generally defined as Revenues less Operation and Maintenance Expenses for a given period, in each Fiscal Year will be at least equal to 125% of the aggregate annual debt service for all Bonds.

“Bonds” are generally defined by the Master Indenture to mean any debt obligation of the Authority including bonds, notes, bond anticipation notes, commercial paper notes and other instruments creating an indebtedness of the Authority, and obligations incurred through lease or installment purchase agreements, other agreements, certificates of participation, and bank repayment obligations. The term “Bonds” does not include Subordinate Obligations (which is defined hereinafter).

The Authority has covenanted in the Master Subordinate Indenture to comply with the subordinate lien Rate Covenant, as summarized below:

Subordinate Obligations – Under the Master Subordinate Indenture, the Authority has covenanted that it will establish, fix, prescribe and collect rates, tolls, fees, rentals and charges in connection with the Airport System so that Subordinate Net Revenues (which are generally defined as Revenues less Operation and Maintenance Expenses less senior lien Bond debt service and reserve funding requirement for a given period) in each Fiscal Year will be at least equal to 110% of the Aggregate Annual Debt Service for all Subordinate Obligations for such Fiscal Year (excluding the principal amount of Commercial Paper reissued during the Fiscal Year).

“Subordinate Obligations” shall mean any debt obligation of the Authority issued under the Master Subordinate Indenture and are generally defined to mean a subordinate lien debt obligation including bonds, notes, bond anticipation notes, commercial paper notes and other instruments creating an indebtedness of the Authority, and obligations incurred through lease or installment purchase agreements or other agreements or certificates of participation therein and bank repayment obligations.

2) Additional Bonds Test and Additional Subordinate Obligations Test

In order to issue additional parity debt under the Master Indenture, the Authority must comply with one of the two prongs of the Additional Bonds Test, as summarized below:

(A) The Net Revenues for the last audited Fiscal Year or for any 12 consecutive months out of the most recent 18 consecutive months immediately preceding the date of issuance of the proposed Series of Bonds were at least equal to 125% of the sum of the Maximum Aggregate Annual Debt Service due and payable with respect to all Outstanding Bonds and the proposed Bonds to be issued for such applicable period; or

(B) Obtain a certificate prepared by a Consultant showing that the forecasted Net Revenues are expected to be at least 125% of the Aggregate Annual Debt Service due and payable with respect to all Outstanding Bonds and the proposed Bonds to be issued for each year of the forecast period.

In order to issue additional parity debt under the Master Subordinate Indenture, the Authority must comply with one of the two prongs of the Additional Subordinate Obligations Test, as summarized below:

(A) The Subordinate Net Revenues for the last audited Fiscal Year or for any 12 consecutive months out of the most recent 18 consecutive months immediately preceding the date of issuance of the proposed Series of Subordinate Obligations were at least equal to 110% of the sum of the Maximum Aggregate Annual Debt Service due and payable with respect to all Outstanding Subordinate Obligations and the proposed Subordinate Obligations to be issued for such applicable period; or

(B) Obtain a certificate prepared by a Consultant showing that the forecasted Subordinate Net Revenues are expected to be at least 110% of the Aggregate Annual Debt Service due and payable with respect to all Outstanding Subordinate Obligations

and the proposed Subordinate Obligations to be issued for each year of the forecast period.

3) Annual Debt Service Coverage Targets

The Authority has established debt service coverage targets for its Bonds and Subordinate Obligations in order to maintain adequate financial margins to accommodate unexpected events given the volatile nature of the aviation industry, preserve financial capacity for future funding needs, and maintain strong credit ratings.

The current minimum Debt Service Coverage targets are:

Bonds: 1.75x (for ~~only~~ senior lien bonds)

Aggregate Debt Service:

- 1.50x, based upon Net Revenues divided by Aggregate Annual Debt Service on Bonds and Subordinate Obligations (for total debt service)
- 1.20x, based upon an alternative “revenue method” calculation utilized by rating agencies where PFCs are added to Net Revenues (rather than deducted from Debt Service) with the sum divided by Aggregate Annual Debt Service for Bonds and Subordinate Obligations

These debt service coverage targets will be reviewed at least annually by the Authority and its financial advisor to determine appropriate adjustments that may be necessary.

[As the Authority advances the definition and scope of the planned Airport Development Program, the Authority anticipates potential revisions to the coverage targets](#)

4) Airline Costs Per Enplaned Passenger Target

The Authority will compare its airline costs per enplaned passenger (“CPE”) with available sources of data, including the rating agencies’ median reports and a selected peer group of airports. Due to the different ways that airports set airline rates and charges, it is recognized that comparisons between airports can be misleading.

The Authority will regularly review and monitor CPE and seek to maintain a competitive rate. [As the Authority advances the definition and scope of the planned Airport Development Program, the Authority anticipates potential revisions to these leverage targets](#)

5) Debt Per ~~O&D~~-Enplaned Passenger Target

The Authority will compare its debt per ~~O&D~~-enplaned passenger with available sources of data, including the rating agencies’ median reports [and a selected peer group of airports](#). Due to the different ways that airports finance their capital facilities, this measure is only one indicator of debt affordability.

The Authority has established a debt (excluding special facility financing) per ~~O&D~~ enplaned passenger goal of no more than \$150 ~~per enplaned passenger~~.

The Authority will regularly review and update this metric from time to time as may be necessary.

6) Liquidity Target

Recognizing the inherently volatile nature of the aviation industry, the Authority will maintain prudent unrestricted reserves as a backstop to be able to fund its obligations if unforeseen events occur. The level of unrestricted reserves will be evaluated at least annually, as part of the Authority's budgeting and capital planning process.

The Authority's unrestricted reserves target (defined as the sum of unrestricted cash and investments, unrestricted cash designated for capital projects, unrestricted long-term investments, the O&M Reserve, and O&M Subaccount Reserve and the Renewal and Replacement Reserve) shall be at least 500 days of budgeted operating and maintenance expenses for the current fiscal year.

7) Credit Ratings Target

The Authority will seek to obtain the highest possible credit ratings on its debt, consistent with meeting the operational and long-term development needs of the Airport. ~~At a minimum, the Authority will seek to maintain ratings from at least two of the leading rating agencies for its Senior Lien Airport Revenue Bonds and at a minimum seek to maintain a rating in the highest category of "A" (e.g. A1, A+) "A1/A+/A+" from all three rating agencies for its Senior Lien Airport Revenue Bonds.~~

## **SECTION V. TYPES OF FINANCING – DESCRIPTION AND APPROACH**

1) Bonds and Subordinate Obligations of the Authority

In general, issuing senior lien debt under the Authority's Master Indenture will achieve the lowest borrowing costs compared to other forms of borrowing. Under the Master Indenture, senior lien debt is defined as "Bonds". Under the Master Subordinate Indenture, subordinate lien debt is defined as "Subordinate Obligations".

Proceeds of the Authority's Bonds and Subordinate Obligations may be used for any legally permitted purposes.

Bonds issued for the Airport are limited obligations of the Authority payable solely from and secured by a pledge of Net Revenues generated by the Airport. Subordinate Obligations issued for the Airport are limited obligations of the Authority payable solely from and secured by a pledge of Subordinate Net Revenues generated by the Airport.

Revenues generally include all revenues, income, receipts, and money derived from the ownership and operation of the Airport and all gifts, grants, reimbursements, or payments received from governmental units or public agencies, which are not restricted by law or the payor to application for a particular purpose other than payment of bonds. Among other things, Revenues specifically exclude:

- (A) Passenger Facility Charges (PFCs)

- (B) Released Revenues, which are an identifiable portion of Revenues that have been excluded from Revenues after meeting certain requirements defined in the Master Indenture
- (C) State and/or federal Grants
- (D) Rental car Customer Facility Charges (CFCs)

2) PFC-Supported Bonds and Subordinate Obligations

The Authority ~~intends to~~ leverages PFCs to support investment in Airport infrastructure and facilities. In order to do this, the Authority may make an irrevocable pledge of PFCs to pay eligible debt service for purposes of compliance with the Additional Bonds Test. The Authority may also deposit additional PFC amounts each year to the debt service fund. The Authority will not include PFCs in estimates of future revenues pledged to support Annual Debt Service unless approval for their imposition has been obtained or is expected to be obtained from the FAA.

3) Special Facility Financings

Special Facilities Obligations may be issued by the Authority to finance capital projects and must be secured by a defined revenue stream derived from or relating to discrete facilities such as cargo terminals or maintenance facilities. Such facilities may be leased to one or more tenants.

The Authority may designate facilities at the Airport as Special Facilities and the revenues therefrom as Special Facilities Revenue if such facilities or revenues meet the following tests from the Master Indenture:

(A) The estimated Special Facilities Revenue pledged to the payment of Special Facilities Obligations relating to the Special Facility will be at least sufficient to pay the principal of and interest on such Special Facility Obligations as and when the same become due and payable, all costs of operating and maintaining such Special Facility not paid for by the operator thereof or by a party other than the Authority and all sinking fund, reserve or other payments required by the resolution authorizing the Special Facility Obligations as the same become due; and

(B) With respect to the designation of any separately identifiable existing Airport Facilities or Airport Facility as a “Special Facility” or “Special Facilities,” the estimated Net Revenues, calculated without including the new Special Facilities Revenue and without including any operation and maintenance expenses of the Special Facility as Operation and Maintenance Expenses of the Airport System, will be sufficient so that the Authority will be in compliance with the Rate Covenant; and

(C) No Event of Default then exists under the Indenture

If a facility meets these tests, the Special Facilities Revenues will not be Revenues for the period during which any Special Facilities Obligations are outstanding.

Special Facilities Obligations are limited obligations of the Authority to be repaid solely by Special Facilities Revenues derived from or relating to a discrete facility and are not

secured by a lien on Revenues or PFC Revenues. Bonds and Subordinate Obligations are not secured by Special Facilities Revenues.

Special Facilities Obligations may be used in lieu of issuance of Bonds or Subordinate Obligations for financing of discrete airport facilities or airport projects that have an independent revenue stream.

The Authority may permit tenants to undertake Special Facilities Obligations under the following specified terms and conditions:

(A) The financing must comply with the Master Indenture limitations on this type of financing;

(B) A pledge of leasehold mortgage or security interest in the underlying asset may be granted to the trustee or Bondholders in certain circumstances, taking into account any value the Airport receives from the tenant in return;

(C) Terms of bonds will be consistent with the standard terms and the provisions of the Airport's leasing policies;

(D) The Airport will not enhance the creditworthiness of Special Facilities Obligations (for example, through the granting of a re-letting provision), unless the Authority determines it is in the best interests of the Airport, taking into account any value the Airport receives from the tenant in return;

(E) The Special Facilities Obligations are amortized over a period that does not exceed the lesser of: (a) 40 years; or (b) the useful life of the facility (80% of the useful life of the facility for projects that are considered to be "private activities" under federal tax regulations, if tax-exempt financing is used). "Bullet" maturities may be considered if they do not exceed the lesser of: (a) the useful life of the facility; or (b) 25 years, and are amortized on a straight line basis for purposes of calculating amortized cost (see below);

(F) The Authority reserves the right to acquire the facility at its amortized cost and the right to require notices exercising early call redemption provisions for the Special Facilities Obligations;

(G) Any refinancing of assets financed with Special Facilities Obligations will not be permitted without the consent of the Board;

(H) The tenant will reimburse the Authority for all of its costs associated with the Special Facilities Obligations;

(I) The Authority may assess an annual fee for Special Facilities Obligations;

(J) Bond Counsel(s) for the Authority will review all Disclosure documents and prepare the financing documents;

(K) The tenant will satisfy Continuing Disclosure and arbitrage rebate requirements and will provide the Authority with indemnities covering any exposure the Authority may have arising from the financing;

(L) The proposed facility must be compatible with Airport System land and capital use plans; and

(M) The Authority may establish minimum threshold Credit Ratings for airlines and other parties wishing to participate in Special Facilities Obligation financed projects. These threshold Credit Ratings will be reviewed by the Authority from time to time.

4) Bond Anticipation Notes (“BANs”) and Grant Anticipation Notes (“GANs”)

Bond Anticipation Notes (“BANs”) are short-term debt instruments that will be repaid with proceeds of an upcoming bond issue.

Grant Anticipation Notes (“GANs”) are short-term instruments that will be repaid from expected future Federal AIP and TSA grants or other Federal or State grants accepted by the Authority. The FAA and TSA may issue Letters of Intent (“LOI”) to the Authority indicating their intent, although not their commitment, to fund “long term, high priority capacity projects” on a multi-year basis as appropriations become available. Once an LOI is in hand, notes may be issued that are secured by the grants anticipated to be received from the FAA and/or TSA. However, there typically must be an ancillary source of repayment for the notes in the event grant funding is ultimately not received.

The Authority may use BANs proceeds to finance projects that would be otherwise financed by an upcoming bond issue. The Authority may -use GANs proceeds to finance projects permitted by the grants anticipated to be received by the Authority.

Notes may be considered Balloon Indebtedness under the Master Indenture, which specifies that, for purposes of calculating the Aggregate Annual Debt Service of Balloon Indebtedness, such Bonds shall be assumed to be amortized in substantially equal annual amounts for principal and interest over a period of 30 years at an interest rate quoted in The Bond Buyer 25 Revenue Bond Index, or such successor or replacement index, or if that index is no longer published, another similar index selected by the Authority. If the Authority fails to select a replacement index, the rate shall be the rate determined by a Consultant to be a reasonable market rate for fixed-rate Bonds of a corresponding term issued under the Master Indenture. Issuance of BANs and GANs should not occur in amounts or result in amortization that would result in the failure by the Authority of its ability to satisfy its rate covenants and the debt coverage goals contained in this Policy.

5) Capital Appreciation Bonds and Zero Coupon Bonds

The Authority will not issue capital appreciation bonds or zero coupon bonds unless the Authority has determined, quantified and demonstrated that there is a significant benefit over traditional structures.

In the event that the Authority issues capital appreciations bonds or zero coupon bonds, proceeds of such bonds may be used for any legally permitted purposes.

6) Commercial Paper

Commercial Paper is a short-term obligation with maturities ranging from 1 to 270 days. The payment when due of principal and interest on each series of the Notes also is secured by separate irrevocable, direct-pay letters of credit.

The Authority may refinance, refund or purchase outstanding Commercial Paper by issuing new Commercial Paper, by issuing Bonds, or by using available Authority funds.

For purposes of calculating Aggregate Annual Debt Service for a Commercial Paper Program, the principal and interest shall be calculated as if the entire Authorized Amount of such Commercial Paper Program were to be amortized over a term of 35 years commencing in the year in which such Commercial Paper Program is implemented and with substantially level Annual Debt Service payments. The interest rate used for such computation shall be that rate quoted in The Bond Buyer 25 Revenue Bond Index, or such successor or replacement index, for the last week of the month preceding the date of calculation as published by The Bond Buyer, or if that index is no longer published, another similar index selected by the Authority, or if the Authority fails to select a replacement index, that rate determined by a Consultant to be a reasonable market rate for fixed rate Subordinate Obligations of a corresponding term issued under the Indenture on the date of such calculation, with no credit enhancement and taking into consideration whether such Subordinate Obligations bear interest which is or is not excluded from gross income for federal income tax purposes.

Any outstanding Commercial Paper anticipated to be paid off and not reissued within the current fiscal year shall be excluded from any calculations of variable rate exposure for internal debt management purposes.

The Authority may issue Commercial Paper as sources of interim financing for capital projects. Before issuing such Commercial Paper notes, the take out of such Commercial Paper must be anticipated in the financing plan and determined to be feasible and advantageous by the Authority.

7) Floating Rate Notes and Revolving Credit Facilities

Floating Rate Notes (FRNs), including Revolving Credit Facilities, are notes that have a variable coupon, equal to a money market reference rate, such as SIFMA (Securities Industry and Financial Markets Association) or LIBOR (the London Interbank Offered Rate), plus a spread. The spread is a rate that remains constant. At the beginning of each coupon period, the coupon is calculated by taking the fixing of the reference rate for that day and adding the spread. Because the coupon resets based on a short-term index, the issuer is exposed to rising interest rates unless it has swapped the debt to a

fixed rate. However, unlike variable rate demand obligations or Commercial Paper, FRNs are not supported by a bank liquidity facility, and therefore do not pose short-range liquidity/refinancing risk to the issuer.

The Authority may issue FRNs as a source of interim financing for capital projects. Before issuing such FRNs, the take out of such notes must be anticipated in the financing plan and determined to be feasible and advantageous by the Authority.

8) Equipment Leases

Equipment leases are basically loans pursuant to which the lender buys and owns certain equipment (e.g., jet bridges, baggage systems, flight and baggage information display systems) and then "rents" it to the Authority at a flat monthly rate for a specified number of months. At the end of the lease, the Authority may purchase the equipment for its fair market value (or a fixed or predetermined amount), continue leasing, lease new equipment or return the equipment. The Authority may explore equipment leases as a financing vehicle and alternative to debt if the terms and conditions of the lease (including the interest rate charged) are more favorable.

9) Installment Payment Agreement

The Authority may also finance certain facilities under an agreement with a third-party whereby the third-party funds the investment in the facility and the Authority agrees to pay the third party as rental/payment for the use and occupancy of the facility specific installment payments. The installment payments would be made from the Authority's available funds after payment of all Operation and Maintenance Expenses, all funds necessary to pay debt service on and to fund the reserves for the Authority's Outstanding Senior and Subordinate Debt Obligations and amounts necessary to fund the Authority's Operation and Maintenance Reserve Subaccount and Renewal and Replacement Subaccount in accordance with the Master Trust Indenture.

10) Direct Loans

The Authority may also enter into a direct loan with a financial institution to meet certain of its financing needs. A direct loan is made directly with a financial institution and may be a fixed or variable product. The Authority may use direct loans as interim or permanent financing for capital projects or to refinance outstanding debt.

## **SECTION VI. FEATURES OF LONG-TERM DEBT**

The Vice President, Finance and Asset Management/Treasurer will recommend to the Board the structure and term of long-term debt according to the general policies described below.

1) Selection of Final Maturity and Amortization of Principal

The final maturity of borrowings should not exceed, and preferably be less than, the projected economic life of the improvements that are financed or such shorter period as required by Federal tax law, if tax-exempt debt has been used.

2) Use of Capitalized Interest

The Vice President, Finance and Asset Management/Treasurer will evaluate whether or not to capitalize the early years' interest cost in a bond issue by taking into account the impact this action would have on the size of the bond issue, future Annual Debt Service requirements, accounting treatments and budgetary impacts.

3) Tax Status

The Vice President, Finance and Asset Management/Treasurer will evaluate whether or not to issue taxable bonds in lieu of bonds that are subject to the Alternative Minimum Tax (AMT) for certain maturities for private activity financing needs. In some market conditions, the cost for taxable debt may be less than the cost for AMT bonds for certain maturities.

4) Sizing of Debt Service Reserve Funds

Except in limited circumstances, the Master Indenture and the Master Subordinate Indenture require either the funding of a common Debt Service Reserve Fund in an amount sufficient to satisfy the reserve requirement for all existing and proposed Bonds or Subordinate Obligations under the respective master indenture participating in such master reserve fund, or the funding of a Debt Service Reserve Fund in an amount sufficient to satisfy the reserve requirement for only the proposed issue. With each issuance of Bonds or Subordinate Obligations, the Vice President, Finance and Asset Management/Treasurer will compare the costs of funding required increases to the reserve requirement from bond proceeds with the costs of satisfying the reserve requirement through the use of a reserve fund surety. The potential effect on credit ratings will also be considered when comparing reserve requirement funding alternatives.

5) Selection of Redemption Provisions

Redemption provisions will be established on a case-by-case basis, taking into consideration market conditions and the results of a call option analysis prior to the time of sale.

The issuance of non-callable Bonds or Subordinate Obligations should be considered only in special circumstances based upon the specific transaction. Because the issuance of non-callable debt may restrict future financial flexibility, cost will not be the sole determinant in the decision to issue non-callable bonds. The preference of the Authority is to issue debt with standard redemption provisions.

6) Use of Discount Bonds

Prior to issuing Bonds or Subordinate Obligations at a dollar price less than 97.0% of par, the Vice President, Finance and Asset Management/Treasurer will request from the financial advisor an analysis of the reduced option value resulting from the assignment of a lower interest coupon. The Authority will consider issuing the discount debt, where permissible under tax law, if the present value debt service savings provided by the lower interest coupon is greater than the reduction in call option value. Other benefits such as the participation of new investors will be an additional consideration.

7) Use of Premium Bonds

Prior to issuing Bonds at a dollar price greater than par, the Vice President, Finance and Asset Management/Treasurer will request from the Authority's financial advisor a brief cost/benefit analysis of the interest saved using premium debt versus other possible pricing structures.

8) Minimum Criteria for Debt Financing Equipment Items

The Authority will not issue long-term debt to finance individual items of equipment with a useful life less than five (5) years, except under a master lease program.

## **SECTION VII. REFUNDING OPPORTUNITIES**

The Vice President, Finance and Asset Management/Treasurer and the Authority's financial advisor will monitor refunding opportunities for all outstanding debt obligations on a periodic basis applying established criteria in determining when to issue refunding bonds for debt service savings.

(It is acknowledged that refunding issues may be executed for reasons beyond economic purposes, such as to restructure debt service, to change the type of debt instruments being used, or to retire a bond issue and indenture in order to remove undesirable covenants.) The refunding criteria will include a comparison of expected present value savings with the option value of the existing callable bonds. Generally, the Authority will pursue refunding opportunities if the expected net present value savings provide sufficient compensation for the exercise of the optional redemption provision. Recommendations as to the sufficiency of the net present value savings will be provided by the Authority's financial advisor.

An Advance Refunding involves refunding tax-exempt bonds more than 90 days in advance of the bond's first optional redemption date. Currently, only Governmental Purpose tax-exempt bonds (as that term is defined in the Internal Revenue Code) may be advance refunded. An Advance Refunding is an important debt management tool for the Authority. Advance Refundings are commonly used to achieve interest cost savings, to remove or change burdensome bond covenants or to restructure future debt service payments. For bonds issued after December 31, 1985, only one Advance Refunding of Governmental Purpose tax-exempt bonds may occur under Federal tax law and thus the Authority must carefully evaluate the appropriateness of Advance Refunding when an opportunity arises. A current refunding involves issuing refunding bonds no earlier than ninety (90) days prior to the bond's optional redemption date. Federal tax law does not limit the number of current refundings of any bond.

The Authority will anticipate the potential for Advance Refundings when issuing new debt. Careful attention will be given to pricing considerations that will affect future Advance Refunding flexibility such as optional redemption provisions and interest characteristics.

The following considerations apply when the Authority considers refunding opportunities:

1) Monitor Potential Savings:

The Vice President, Finance and Asset Management/Treasurer, with the assistance of the Authority’s financial advisor, will monitor on an ongoing basis potential savings available by refinancing outstanding debt of the Authority. Savings will be analyzed on a present value basis by using a percentage of the refunded par amount. All costs and benefits of the refinancing will be taken into account.

2) Target Savings Amounts:

A present value analysis must be prepared to identify the economic effect of any proposed refunding. To proceed with a refinancing for economic savings, the Authority will evaluate the net present value savings as a percentage of the refunded par amount relative to the time to the first call date of the bonds and the maturity date of the bonds, using the following guidelines:

<i>Years from the date of first call to Maturity Date of the Bonds</i>	Years to the first Call Date		
	After the First Call Date to Up to 1 Year Before	1 to 3 Years Before the First Call Date	More than 3 Years Before the First Call Date
0-5 Years	0.5%	1.0%	2.0%
6-10 Years	1.0%	2.5%	4.0%
11-20 Years	3.0%	4.0%	5.0%

3) Other Considerations:

Some refundings may be executed for other than economic purposes, such as to restructure debt, to change the type of debt instrument, or to retire a bond issue and indenture for more desirable covenants. In addition, if the benefits outweigh the costs and the refunding opportunity would otherwise be lost, the Authority may proceed with a refunding that has economic benefit but does not meet the criteria stated above in the “Target Savings Amount” paragraph above.

4) Non-Traditional Refundings:

Refundings executed with non-traditional structures such as swaps, require a full analysis of the benefits and risks, and may require higher economic benefits.

**SECTION VIII. ISSUANCE OF VARIABLE RATE DEBT**

Variable Rate Debt typically is issued for a term of up to 30 years, although the interest rate on this debt instrument is reset daily, weekly, monthly or less commonly, periodically.

The Authority recognizes that variable rate securities are a useful debt management tool that traditionally has had lower interest rate costs than fixed rate debt. The Authority's current goal is to maintain a debt program which may include both fixed and variable rate debt, as well as Commercial Paper.

1) Purposes of Variable Rate Debt

The Vice President, Finance and Asset Management/Treasurer may recommend that variable rate securities be issued for the following purposes:

(A) Interim Financing Tool

The Authority may consider issuing Variable Rate [Debt](#) in connection with its major debt-financed capital projects, especially when interest rates associated with a fixed rate, long term borrowing far exceed the interest rates that can be earned on the construction and capitalized interest funds (resulting in a significant amount of negative arbitrage). Because Variable Rate Debt can be retired or redeemed without penalty, these instruments may better suit circumstances where a refunding or restructuring of a potential debt issue is likely for any reason, (for example, if a change in use of the facility to be funded may reasonably be anticipated, or if grant or another source of funds may be obtained to substitute for bond funding).

Certain variable rate products—most notably, Commercial Paper—can be issued incrementally as funds are needed to finance current construction, and can reduce the long-term cost of construction financing.

(B) Statement of Net Position Management Tool

The maintenance of Variable Rate Indebtedness and Commercial Paper liabilities at a level that takes into consideration the amount of short-term assets maintained by the Authority prudently reduces the Authority's risk of exposure to changes in interest rates. Since the Authority invests its free cash balances in short term instruments, it is exposed to interest rate fluctuations at the short end of the yield curve. Conversely, a large portion of its liabilities are in the form of long term, fixed-rated debt. When interest rates fall, the Authority's assets earn less, while its liabilities are fixed. Offsetting this exposure by better matching the variability of earnings on its assets with variable, rather than fixed, rate liabilities serve as a hedge against interest rate risk and reduces the overall cost of funds.

(C) Diversify Investor Base to Lower Costs

Typically, variable rate debt is sold to a different segment of investors than long-term fixed rate bonds. By tapping short-term investors, an issuer broadens and diversifies its investor base. By becoming a familiar and respected credit among short-term investors, the Authority will be in a better

position to gain access to these buyers at those times when it is less advantageous to borrow in the fixed-rate market.

(D) Management of Negative Arbitrage

Issuing debt in a variable rate mode reduces or at times may even eliminate negative arbitrage in Construction, Capitalized Interest and Debt Service Reserve Funds. (See “A” above)

2) Criteria for Use of Variable Rate Debt

The Authority’s net variable rate debt composition (defined as variable rate debt less unrestricted cash reserves) excluding interim financings (defined as financings the Authority intends to take out with permanent long term financings) will not exceed the greater of 15% of total debt or \$100 million.

Statement of Net Position Risk Mitigation - In determining the appropriate amount of variable rate debt to be issued for risk mitigation purposes, the following factors should be taken into account, and analyzed on the basis of the funds that will be repaying the debt:

- (i) The historic average of cash balances analyzed over the course of several prior fiscal years.
- (ii) Projected cash balances based on known demands on the given fund.
- (iii) Any basis risk, such as differences in the performance or average life of the Authority’s investment vehicle (e.g., swaps, as discussed in Section IX) and the variable rate debt instrument.

3) Diversification of Remarketing Agents and Counterparties

In selecting remarketing agents for variable rate debt, the Authority will seek to choose a diversity of remarketing agents to better foster competition. For similar reasons, the Authority will seek to diversify its counterparties when selecting institutions to provide liquidity or credit enhancement for Airport variable rate debt.

4) Budgeting

The Vice President, Finance and Asset Management/Treasurer will determine the appropriate method for budgeting the interest cost of variable rate debt by considering historic interest rates, projected interest rates and the effect of risk mitigation products such as interest rate swaps or caps.

5) Monitoring and Reporting

The Vice President, Finance and Asset Management/Treasurer will monitor the performance of actual interest rates on variable rate debt and periodically report the results. Reports will be prepared in accordance with Generally Accepted Accounting Principles (GAAP) and with rules promulgated by the General Accounting Standards Board (GASB). With the assistance of its financial advisor, the Vice President, Finance and Asset Management/Treasurer will regularly review the performance of the individual remarketing agents in relation to other remarketing agents, similar programs and market indices.

**SECTION IX. DERIVATIVES**

The Authority has adopted and will maintain a separate policy for derivatives (Policy 4.21 “Policy Regarding the Use and Management of Derivative Products”).

**SECTION X – METHOD FOR SALE OF DEBT**

There are two methods of issuing debt obligations: a Competitive Sale and a Negotiated Sale. In a Competitive Sale, Underwriters submit sealed bids, and the Underwriter or Underwriting Syndicate with the lowest True Interest Cost (TIC) is awarded the sale. In a Negotiated Sale, the Underwriter or Underwriting Syndicate is selected through a Request for Proposal (RFP) process. The interest rate and Underwriter’s fee are negotiated prior to the sale, based on market conditions.

It is usually not feasible to issue bonds through a Competitive Sale for certain types of financings, such as Variable Rate Debt, Commercial Paper and specialized financings like Special Facility Revenue Bonds. Further, there are factors (e.g., flexibility as to timing and the mix of the underwriting syndicate) that support the use of a Negotiated Sale. Still, a competitive process should be used to choose the appropriate Underwriter and financing team to ensure the most qualified firms are used for a specific financing. The current policy of the Authority establishes a preference for Negotiated Sales of its Bonds.

*Role of Underwriters in Negotiated Sale*

The Authority expects its underwriters to: 1) participate in a valuable and significant way with respect to the structuring and pricing of each debt issue and sales performance; 2) cooperate fully with other financing team members in a way that provides the maximum benefit to the Authority; and 3) attend meetings, when requested, related to the issuance of debt.

The book running senior manager, in conjunction with the financial advisor, is responsible for developing a time and responsibility schedule that will allow for the timely and successful completion of the financing. The book running senior manager is responsible for communicating the Authority’s plan of finance and timing to the other managing Underwriters in the syndicate.

*Underwriter Selection in Negotiated Sale*

The Authority may select Underwriters for an individual financing or to serve as part of a pre-qualified pool of Underwriters available for appointment for anticipated financings. In either case, the Authority would conduct a competitive selection process, which should include:

- Developing an RFP that meets the financial and policy goals of the Authority.
- Meeting the Authority procurement requirements.
- Circulating the RFP to a wide range of Underwriters (e.g. national and regional firms, DBE and majority firms, and firms that specialize in certain types of debt).
- Diligently evaluating the Underwriters' proposals received in response to the RFP.
- Conducting follow-up interviews with any or all of the proposing firms (optional).
- Selecting candidates to be recommended for appointment to an individual financing or to an Underwriter pool.

Should the Board appoint underwriters to a pre-qualified pool after an RFP process, the Vice President, Finance and Asset Management/Treasurer may recommend such firms for appointment to specific financings, without a subsequent RFP process.

#### **SECTION XI. INVESTMENT OF BOND PROCEEDS**

The Authority shall invest proceeds generated through the issuance of debt in compliance with the terms of eligible investments under the relevant bond indenture and related bond documents; its Investment Policy; and applicable state laws.

#### **SECTION XII. COMPLIANCE WITH FEDERAL TAX LAW AND MARKET DISCLOSURE OBLIGATIONS**

##### 1) Compliance with Federal Tax Law

The Vice President, Finance and Asset Management/Treasurer shall establish a system of record keeping and reporting to meet the arbitrage rebate compliance requirements of the Federal tax code and ensure compliance with other Federal tax regulations and post-issue compliance as required by Bond Counsel at the time of issuance of the debt. This effort shall include tracking expenditures of bond proceeds to ensure such expenditures comply with federal tax law requirements, tracking investment earnings on proceeds, retention of a rebate consultant to prepare and calculate rebate payments in compliance with tax law and remitting any earnings subject to rebate to the Federal government in a timely manner in order to preserve the tax-exempt status of the Authority's outstanding debt issues that have been issued on a tax-exempt basis.

The Authority will comply with all covenants contained in tax certificates.

Trustee banks have been appointed for the Authority's outstanding debt. The trustees shall perform all functions and duties required under the terms and conditions set forth in the respective bond indentures and trust agreements, including maintaining records of fund balances and investments.

2) Initial Disclosure

The Authority acknowledges its responsibilities under the securities laws to avoid material misstatements and omissions in offering documents used in the marketing of Authority debt. The Vice President, Finance and Asset Management/Treasurer shall manage and coordinate the disclosure documentation preparation process and shall establish a system of procedures to ensure the preparation of appropriate disclosure documentation when required, with assistance from the Authority's General Counsel and the Authority's Bond and/or Disclosure Counsel. When necessary, the Vice President, Finance and Asset Management/Treasurer shall provide training covering new developments and disclosure responsibilities to staff members.

3) Continuing Disclosure

To assist Underwriters to comply with Securities and Exchange Commission ("SEC") Rule 15c2-12, ~~except where exceptions apply~~, the Authority has entered into and expects in the future to enter into additional Continuing Disclosure Undertakings. The Authority is required to provide 1) Annual Reports, containing the Authority's audited financial statements as well as updates of operating and financial data included in the Authority's offering documents, and 2) notices of certain enumerated events.

i) Notice of the occurrence of any of the following events shall be given, or caused to be given by the Authority, with respect to any bonds, not later than ten business days after the occurrence of the event:

- (A) Principal and interest payment delinquencies;
- (B) Unscheduled draws on the Debt Service Reserve Funds reflecting financial difficulties;
- (C) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (D) Substitution of credit or liquidity providers, or their failure to perform;
- (E) Adverse tax opinions with respect to the tax status of any bonds or the issuance by the Internal Revenue Service of proposed or final determination of taxability or of a Notice of Proposed Issue (IRS Form 5701 TEB) with respect to any bonds;
- (F) Tender offers;
- (G) Defeasances;
- (H) Rating changes; or
- (I) Bankruptcy, insolvency, receivership or similar event of the obligated person:

Note: for the purposes of the event identified in subparagraph (I), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

(J) [Any applicable revision to rule 15c2-12 adopted by the SEC](#)

(ii) Notice of the occurrence of any of the following events with respect to any bonds, if material, shall be given, or caused to be given by the Authority, not later than ten business days after the occurrence of the event:

(A) Unless described in paragraph 3(i)(E), adverse tax opinions or other material notices or determinations by the Internal Revenue Service with respect to the tax status of any bonds or other material events affecting the tax status of any bonds;

(B) Modifications to rights of the owners of any bonds;

(C) Optional, unscheduled or contingent bond calls;

(D) Release, substitution or sale of property securing repayment of any bonds;

(E) Non-payment related defaults;

(F) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms; or

(G) Appointment of a successor or additional trustee or the change of name of a trustee;

(H) [Any applicable revision to rule 15c2-12 adopted by the SEC](#)

### **SECTION XIII. RATINGS AGENCIES AND INVESTOR RELATIONS**

The Vice President, Finance and Asset Management/Treasurer shall be responsible for implementing and managing the Authority's Credit Rating agency relationship. The Authority recognizes the importance of immediate and timely Disclosure of relevant financial and program information concerning its debt programs to the rating agencies and pursuant to its continuing disclosure undertakings. This effort shall include periodic meetings with the rating agencies and

shall provide the rating agencies with the Authority's annual budget projections, financial statements and other relevant information.

The Vice President, Finance and Asset Management/Treasurer shall be responsible for implementing and managing the Authority's investor relations program -including the maintenance and periodic updating of the financial information provided on the Authority's web site. — The Authority shall attempt to promptly respond to any reasonable inquiry from an institutional or retail investor concerning information generally available to the investing public.

#### **SECTION XIV. AMENDMENTS TO DEBT ISSUANCE AND MANAGEMENT POLICY**

The Policy codifies and explains the guidelines and the policies that govern existing and anticipated debt obligations of the Authority. In addition, the Policy sets forth certain financial management practices in capital budgeting that will enhance the Authority's ability to manage its projected debt issuance. The Policy will require changes and modifications over time. The Vice President, Finance and Asset Management/Treasurer shall be responsible for ensuring the policy is current and will review the Policy annually, at a minimum. In the event that changes to the Policy are necessary, the Vice President, Finance and Asset Management/Treasurer shall propose such changes to the CEO. Upon CEO approval, the proposed amended Policy will be submitted to the Board requesting approval.

## **GLOSSARY (PROVIDED FOR INFORMATIONAL PURPOSES ONLY)**

**Additional Bonds Test:** The earnings test which must be satisfied under the provisions of a revenue bond contract before bonds of an additional issue having the same lien on a pledged revenue source can be issued. Typically, the test required that historical or future estimated pledged revenues exceed total debt service (existing and proposed) by a certain ratio. The test provides protection to investors that the bond issuer will not issue additional parity bonds without providing ample security to the investors in the previous financing(s).

**Advance Refunding:** A refunding that occurs more than 90 days in advance of the first optional redemption date. Under current IRS regulations, Governmental Purpose tax-exempt bonds issued after December 31, 1985 are permitted only one advance refunding. Additionally, certain private activity bonds may not be advanced refunded.

**Airline Costs per Enplaned Passenger (“CPE”):** A comparative statistic used to demonstrate the affordability of airline operations at an airport. CPE is often used in the process of determining the credit quality of an issue. It is typically calculated as total passenger airline revenue divided by the number of enplaned passengers in any fiscal year.

**Airport Revenue Bonds:** Airport Revenue Bonds (also known as General Airport Revenue Bonds, or “GARBs”) are bonds issued pursuant to the terms of a trust indenture or ordinance which are secured either by a pledge of gross or net airport revenues.

**Alternative Minimum Tax:** Other than for certain private activity bonds issued during the AMT “waiver” period authorized by the American Recovery and Reinvestment Act of 2009 (“ARRA”), interest on tax-exempt private activity bonds issued after August 7, 1986 (other than bonds for 501(c)(3) organizations and refundings of pre-August 8, 1986 bonds) is generally subject to the Alternative Minimum Tax (“AMT”) as a specific item of tax preference. ARRA exempted new money and certain refundings of private activity bonds issued in 2009 and 2010 from the AMT penalty.

**Amortization:** The process of paying the principal amount of an issue of securities by periodic payments either directly to holders of the securities or to a sinking fund for the benefit of security holders.

**Arbitrage:** With respect to the issuance of municipal securities, arbitrage usually refers to the difference between the interest paid on tax-exempt bonds and the interest earned by investing the proceeds of the bonds in higher-yielding taxable securities. Federal income tax laws generally restrict the ability to earn arbitrage in connection with tax-exempt bonds.

**Arbitrage Rebate:** A payment made by an issuer to the federal government in connection with an issue of tax-exempt bonds. The payment represents the amount, if any, of arbitrage earnings on bond proceeds and certain other related funds, except for earnings that are not required to be rebated under limited exemptions provided under the Internal Revenue Code. An issuer generally is required to calculate, once every five years during the life of its bonds, whether or not an arbitrage rebate payment must be made.

**Balloon Maturity:** A bond structure wherein the principal amount becomes due and payable on one date, generally at the end of the bond term.

Basis Point: Yields on bonds are usually quoted in increments of basis points. One basis point is equal to 1/100 of one (1%) percent. For example, the difference between 6.00% and 6.50% is 50 basis points.

Bond Counsel: A law firm retained by the bond issuer to give a legal opinion that the bond issuer is authorized to issue proposed securities, the bond issuer has met all legal requirements necessary for issuance, and interest on the proposed securities will be exempt from federal income taxation and, where applicable, from state and local taxation. Usually, bond counsel will prepare authorizing resolutions and ordinances, trust indentures and other bond documents with the exception of the Official Statement.

Bondholder: The owner of a municipal bond. ~~The owner of a bearer bond is the person having possession of it, while the owner of a registered bond is the person~~ whose name is noted on the bond register.

Bond Insurance: Insurance which provides an additional guarantee guarantee ~~ofs~~-the timely payment of principal and interest of either an entire bond issue or specified maturities. In exchange for payment of the bond insurance premium, a higher credit rating (the rating of the insurer) (~~historically, AAA~~) is assigned to the insured bonds and a lower cost of funds is may be attained. ~~With a competitive sale, generally the bidding dealer bears the cost of insurance to the benefit of the firm's bid. The bond issuer pays the cost of bond insurance from bond proceeds with a negotiated sale.~~

Bond Purchase Agreement: The contract between the Syndicate and the bond issuer setting forth the final terms, prices and conditions upon which the Syndicate will purchase a new issue.

Book Running Senior Manager: The managing underwriter that controls the book of orders for the transaction and is primarily responsible for the successful execution of the transaction.

Broker-Dealer: A securities firm engaged in both buying and selling securities on behalf of customers and also buying and selling securities on behalf of its own account.

Build America Bonds ("BABs"): Taxable municipal bonds that carry special tax credits and federal subsidies for either the bond issuer or the bondholder. The most widely used version was authorized under the American Recovery and Reinvestment Act ("ARRA") that allowed BABs to be issued in 2009 and 2010 with a 35% of interest subsidy (subsequently reduced under the federal sequestration program) to the issuer received as direct payments from the federal government. The proceeds of BABs authorized under ARRA could only be used to fund non-private activity, governmental purposes.

Bullet Maturity: See Balloon Maturity.

Callable Bond: A bond where the bond issuer is permitted to redeem it before the stated maturity date at a specified price by giving notice of redemption in the manner specified in the bond document.

Capital Appreciation Bond: A municipal security on which the investment return on an initial principal amount is reinvested at a stated compounded rate until maturity, at which time the investor receives a single payment (the “maturity value”) representing both the initial principal amount and the total investment return. It differs from a Zero Coupon Bond in that only the initial principal amount is counted against an issuer’s statutory debt limit, rather than the total par value at maturity.

Capitalized Interest: A portion of the proceeds of an issue which is set-aside to pay interest on the bonds for a specified period of time. Interest is commonly capitalized during the construction period of a revenue-producing project.

Commercial Paper: Short-term (1 to 270 days) promissory notes usually issued to provide for interim financing of projects through the construction period and backed by a letter or line of credit from a commercial bank. Following the completion of the projects, principal and interest due on commercial paper is often redeemed through the issuance of long-term refunding bonds.

Competitive Sale: The sale of a new issue of bonds by an issuer through a bidding process where underwriters are awarded the bonds on the basis of offering the lowest cost of funds for the issuer usually as measured on a true interest cost (TIC) basis. The bid parameters for the public sale are established in the notice of sale or notice inviting bids.

Credit Enhancement: The use of the credit of an entity other than the issuer to provide additional security in a bond or note financing. This term typically is used in the context of bond insurance, letters of credit and other similar facilities.

Credit Ratings: Evaluations of the credit quality of bonds made by independent ratings services such as Moody’s Investors Service, Standard & Poor’s Ratings Group ~~and~~ Fitch ~~and~~ Kroll. Credit ratings are intended to measure the probability of timely repayment of principal and interest on municipal securities. Credit ratings are assigned before issuance of the bonds and are periodically reviewed or may be amended to reflect changes in the issuer’s credit position. Bonds with investment grade ratings are assigned credit ratings between Baa3/BBB- and Aaa/AAA.

Current Refunding: A current refunding involves refunding bonds within 90 days of the bonds’s first optional redemption. Federal tax law does not limit the number of current refundings of any tax-exempt bond.

Customer Facility Charge (CFC): A fee imposed by a car rental company upon a car rental customer arriving at the airport and renting a vehicle from an on-airport or off-airport car rental company serving the airport. The CFC is collected by the car rental company generally for use by the airport in funding rental car facility-related projects or debt associated with such projects.

Debt Ratios: Comparative statistics showing the relationship between a bond issuer’s outstanding debt and factors affecting repayment. Such ratios are often used in the process of determining the credit quality of an issue. Examples of debt ratios applied to airport bonds include: debt/revenues/costs per enplaned passenger, debt service coverage ratio, utilization per gate, operating ratio and net takedown.

Debt Service: The amount due for repayment of interest and principal on outstanding debt, including required contributions to a sinking fund for term bonds. Debt service may be computed on a bond year, fiscal year or calendar year basis.

Debt Service Coverage: The ratio of Net Revenues annually available to pay debt service on bonds to the annual debt service requirement. This ratio is one indicator of the credit quality of a bond issue. For example, a coverage ratio of “1.50x” means that for every \$1.00 of annual debt service, the bond issuer has \$1.50 of annual net revenues.

Debt Service Reserve Fund: The fund in which moneys are placed which may be used to pay debt service if Net Revenues are insufficient to satisfy the debt service requirements. The size of this fund is generally established by the reserve requirement, which is generally equal to the lesser of: (i) 10% of new issue par, (ii) maximum annual debt service (debt service is amount due on existing and proposed debt for a common debt service reserve fund), and (iii) 125% of average annual debt service (debt service is amount due on existing and proposed debt for a common debt service reserve fund).

Debt Service Reserve Fund Surety Policy: A debt service reserve fund insurance policy provided by a highly-rated municipal bond insurer or a letter of credit provided by a highly-rated commercial bank which guarantees the funding of the reserve requirement.

Defeasance: Bonds for which the payment of debt service has been assured through the structuring of a portfolio of government securities, the principal and interest on which will be sufficient to pay debt service on the outstanding bonds. The rights and interest of the bondholders and of their lien on pledged revenues is terminated in accordance with the bond documents through a defeasance. Defeasance usually occurs through the issuance of refunding bonds.

Disclosure: From the perspective of the bond issuer, it is taken to mean the dissemination of accurate and complete information material to an existing or proposed bond issuance which an investor is likely to consider important in making an investment decision. The material facts pertinent to a new bond offering are disclosed in the Official Statement.

Disclosure Counsel: A law firm retained by the bond issuer to prepare the Official Statement and provide a 10b-5 opinion.

Discount Bond: A bond sold for less than its face value as a result of the yield exceeding the coupon rate.

Financial Advisor: A consultant who advises the bond issuer on matters such as bond structure, timing, marketing, pricing, documentation and credit ratings. The consultant may also provide non-bond related advice relating to capital planning and investment management.

Fixed Rate Debt: Securities with an interest rate that is established for the life of the securities.

Forward Refunding: A Forward Refunding is an agreement, usually between an issuer and the underwriter, whereby the issuer agrees to issue bonds on a specified future date and an underwriter agrees to purchase such bonds on such date. The proceeds of such bonds, when issued, are generally used to refund the issuer's outstanding bonds.

Group Net Order: An order for bonds submitted by a Syndicate member in which the takedown is distributed to Syndicate members according to their respective liability shares in the issue.

Institutional order—an order for bonds placed by a bank, pension fund, mutual fund, trust or insurance company, investment bank, hedge fund or similar financial institution

Interest Rate Risk: The risk associated with changes in general interest rate levels or Yield Curves (see Yield Curves below).

Letter of Credit: A commitment usually made by a commercial bank to honor demands for timely payment of debt service upon compliance with pre-established conditions and/or the occurrence of certain events specified in the agreement between the bank and the issuer of the debt. Letters of credit are often issued as additional sources of security for issues of notes, commercial paper or bonds, with the bank issuing the letter of credit committing to pay debt service on the bonds. Debt issued with a letter of credit may be assigned the credit rating (short- and/or long-term) of the letter of credit provider. Letters of credit may also provide liquidity support for such debt issues.

Master Indenture: The Trust Indenture that governs all the senior lien bond obligations of the issuer.

Master Subordinate Indenture: The Trust Indenture that governs all the subordinate lien bond obligations of the issuer.

Member Order – An order submitted by a syndicate member at the takedown price.

Negotiated Sale: The sale of a new issue of bonds by an issuer through an agreement with an underwriter or underwriting Syndicate selected by the issuer. Bonds are generally sold on a negotiated basis when market conditions, issue structure or issue credit quality indicate that a competitive sale would result in higher borrowing costs for the issuer.

Net Designated Order – An order submitted by a syndicate member on behalf of a buyer on which all or a portion of the takedown is to be credited to certain members of the syndicate. The buyer directs the percentage of the total designation each member will receive in accordance with the terms of the underwriting syndicate.

Official Statement: A document published by the bond issuer, and often prepared by Disclosure Counsel, which discloses material information on a new bond issue including the purpose of the issue, source of repayment, bond covenants as well as financial, economic, demographic and legal characteristics of the bond issuer. The Official Statement is used by investors to determine the credit quality of the bond issue. An Official Statement is deemed preliminary prior to the determination of the interest rates on the bond issue.

Parity Bonds: Two or more subsequent issues of bonds which have the same priority of claim or lien against pledged revenues.

Passenger Facility Charge (PFC): A fee, in amounts up to \$4.50, assessed to enplaned passengers at commercial airports controlled by public agencies. Airports use these fees to fund FAA-approved projects that enhance safety, security, or capacity; reduce noise; or increase air carrier competition. Federal law limits use of PFC funds strictly to the above categories.

Premium Bond: A bond sold for greater than its face value as a result of the coupon rate exceeding the yield.

Redemption Provisions: Terms set out in the bond documents which give the bond issuer the right or requirement to redeem or “call” all or a portion of an outstanding issue of bonds prior to their stated dates of maturity at a specified price.

Remarketing Agent: A broker-dealer responsible for reselling to new investors securities (such as variable rate demand obligations and other tender option bonds) that have been tendered for purchase by their owner. The remarketing agent also typically is responsible for resetting the interest rate for a variable rate issue and also may act as tender agent.

Retail Order: An order for bonds placed by an individual or, as determined by the bond issuer, a retail order may also include an order placed by a bank trust department or an investment advisor for an individual.

Secondary Market Disclosure: Disclosure of information relating to outstanding municipal securities made following the end of the underwriting period by or on behalf of the issuer of the securities.

Securities and Exchange Commission (SEC): The Federal agency responsible for supervising and regulating the securities industry. In general, municipal securities are exempt from the SEC’s registration and reporting requirements. Brokers and dealers in municipal securities, however, are subject to SEC regulation and oversight. The SEC also has responsibility for the approval of Municipal Securities Rulemaking Board (MSRB) rules, and has jurisdiction, pursuant to SEC Rule 10b-5, over fraud in the sale of municipal securities.

SEC Rule 15(c)2-12: A regulation of the SEC which requires underwriters participating in primary offerings of municipal securities of \$1,000,000 or more (i) to obtain, review, and distribute to investors copies of the issuer’s disclosure documents; (ii) to obtain and review a copy of an Official Statement deemed final by an issuer of the securities, except for the omission of specified information; (iii) to make available upon request, in non-competitively bid offerings, the most recent preliminary official statement, if any; (iv) to contract with an issuer of the securities, or its agent, to receive, within specified time periods, sufficient copies of the issuer’s final official statement, both to comply with this rule and any rules of the Municipal Securities Rulemaking Board; and (v) to provide, for a specified period of time, copies of final Official Statements to any potential customer upon request. The rule contains exemptions for underwriters participating in certain offerings of municipal securities issued in large denominations that are sold to no more than 35 sophisticated investors, have short-term maturities, or have short-term tender or put features. The release also modifies, in limited respects, a previously published interpretation of the legal obligations of municipal securities underwriters.

Senior Lien Bonds: Bonds which have a prior claim against pledged revenues.

Serial Bonds: Bonds of an issue in which principal is amortized in successive years without interruption.

Subordinate Lien Bonds: Bonds which have a subordinate, or junior, claim against pledged revenues.

Special Facility Obligations: The issuance of bonds by a governmental entity to finance a project with repayment secured by a defined revenue stream derived from or relating to the use of the completed project.

Syndicate: A group of underwriters formed to purchase and re-offer a bond issuer's bonds for sale to the public. The syndicate is organized for the purposes of sharing the risks of underwriting the issue, obtaining sufficient capital to purchase a bond issue and for broader distribution of the issue to the general public. Each syndicate member has a share in the liability of the issue.

Takedown: The total discount at which members of syndicates buy bonds from an issuer.

Tax Events Risk: Risk to the issuer of variable rate bonds created by either a change in the taxable equivalent yield of comparable investments or loss of tax-exempt status. For an issuer of variable rate bonds, a reduction in federal income tax rates would increase interest costs. Re-classification of outstanding variable rate bonds as taxable would also increase interest costs.

Term Bonds: Bonds comprising a large part of the issue which come due in a single maturity. The bond issuer usually makes periodic payments into a sinking fund for mandatory redemption of term bonds before maturity or for payment at maturity.

True Interest Cost: The rate, compounded semi-annually, necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received on the closing date of the bond issue.

Trust Indenture: A contract between a bond issuer and a trustee, for the benefit of bondholders. The trustee administers the funds specified in the indenture and implements the remedies provided in case of default.

Underwriter: A dealer which purchases a new issue of bonds for resale either by negotiation with the issuer or by award on the basis of a competitive bid.

Underwriter's Counsel: A law firm retained by the Underwriter to represent their interests in connection with the negotiated purchase of a new issue of bonds. The firm's duties may include review of all bond documents, preparation of the agreement among Underwriters and negotiation of the bond purchase contract between the Underwriter and the bond issuer.

Underwriter's Gross Spread: In a negotiated sale, the difference between the price the Underwriter pays the bond issuer and the original reoffering price to the public; includes the management fee, expenses, and sales commissions (takedown and concession).

Variable Rate Debt: Securities with an interest rate that changes at intervals according to an index or formula, or is periodically (daily, weekly or monthly) reset at the market clearing rate. Variable rate debt is also known as "floating rate debt".

Yield Curve: Refers to the graphical or tabular representation of interest rates across different maturities. The presentation often starts with the shortest-term rates and extends towards longer

maturities. It reflects the market's views about implied inflation/deflation, liquidity, economic and financial activity, and other market forces.

Zero Coupon Bond: An original issue discount bond on which no periodic interest payments are made but which is issued at a deep discount from par, accreting (at the rate represented by the offering yield at issuance) to its full value at maturity.

[Amended by Resolution 2015-0042 dated May 21, 2015.]

[Amended by Resolution 2014-0050 dated June 5, 2014.]

[Amended by Resolution 2013-0048 dated June 6, 2013.]

[Amended by Resolution 2012-0060 dated June 7, 2012.]

[Amended by Resolution 2011-0078 dated July 7, 2011.]

[Adopted by Resolution. 2010-0046 dated May 6, 2010.]



**SAN DIEGO**  
INTERNATIONAL AIRPORT

LET'S **GO.**

# **ANNUAL REVIEW AND APPROVAL OF AMENDMENTS TO AUTHORITY POLICY 4.40**

**DEBT ISSUANCE AND MANAGEMENT POLICY**

**Presented by:**

John Dillon,

*Director, Financial Management*

# Debt Policy - Overview

- Governs existing and anticipated debt obligations
- Sets forth certain financial management practices in capital budgeting that supports the Authority's ability to manage its projected debt issuance
- Policy is updated from time to time to reflect changes in the law and the market

# Debt Policy - Objectives

- Protect the Authority's assets and funds
- Manage and monitor existing debt to:
  - Optimize financial structure
  - Control costs
  - Ensure compliance with bond financing covenants
- Oversee the issuance of new debt in order to maintain access to capital markets
- Obtain and maintain the highest possible credit ratings on debt

# Debt Policy - Objectives

- Explore and implement prudent debt structuring
- Provide the required secondary market disclosure to the rating agencies and investors
- Comply with all federal and state laws and regulations as well as bond indenture and federal tax and securities law compliance

# Debt Policy Amendments

Section (II)(2) Roles and Responsibilities: President/CEO and Vice President, Finance and Asset Management/Treasurer

Modifications in this section reflect changes in reporting requirements under California code. Starting in January 1 2017, Debt Issuers are required to:

- Adopt a debt policy
- Meet certain additional ongoing reporting obligations
- Ensure proceeds of the Authority's debt obligations are directed to the intended use

# Debt Policy Amendments

## Section (II)(2) Roles and Responsibilities: President/CEO and Vice President, Finance and Asset Management/Treasurer

“The Vice President, Finance and Asset Management/Treasurer, under the direction of the President/CEO, is (i) responsible for developing, evaluating, implementing and monitoring the financing plan and debt strategies for the Authority in compliance with this policy, subject to Board approvals; ~~and~~ (ii) **is** in charge of federal tax and securities law post-issuance compliance with respect to all debt obligations; (iii) **responsible for implementing and ensuring compliance with internal control procedures to ensure proceeds of the Authority’s debt obligations are directed to the intended use; and (iv) responsible for timely submitting to the California Debt and Investment Advisory Commission any annual debt report required under California Government Code Section 8855(k).”**

# Debt Policy Amendments

## Section (IV) Debt Targets: Language Clarification

The President/CEO and the Vice President, Finance and Asset Management/Treasurer will recommend to the Board the amount, term and type of debt needed to meet the Authority's short-term and long-term financing requirements. In such determinations, issues of debt capacity, amortization period and **impact on rates and charges affordability** will be considered, guided by the use of target debt **capacity affordability** indicators for measuring the affordability of additional borrowing.”

# Debt Policy Amendments

Section (IV)(5) Debt Per O&D Enplaned Passenger Target:  
Adapting the Authority Debt per O&D Enplanement Target  
providing an improved metric when comparing to peer airports.

“Debt Per ~~O&D~~ Enplaned Passenger Target

The Authority will compare its debt per ~~O&D~~-enplaned passenger with available sources of data, including the rating agencies’ median reports **and a selected peer group of airports**. Due to the different ways that airports finance their capital facilities, this measure is only one indicator of debt affordability.”

“The Authority has established a debt (excluding special facility financing) per ~~O&D~~-enplaned passenger goal of no more than \$150. **per-enplaned passenger.**”

# Debt Policy Amendments

Section (IV)(3) and (5) Targets for Debt Service Coverage and Debt per Enplaned passenger.

Clarifies the Authority's intention to review and update Debt Service Coverage and Debt per Enplanement targets once there is more clarity relating to the Airport Development Plan.

## Debt Service Coverage Target:

“These debt service coverage targets will be reviewed at least annually by the Authority and its financial advisor to determine appropriate adjustments that may be necessary. **As the Authority advances the definition and scope of the planned Airport Development Program, the Authority anticipates potential revisions to the coverage targets.**”

# Debt Policy Amendments

Section (IV) (3) and (5) Targets for Debt Service Coverage and Debt per Enplaned passenger.

and

Debt per enplanement Target

“The Authority will regularly review and update this metric from time to time as may be necessary. **As the Authority advances the definition and scope of the planned Airport Development Program, the Authority anticipates potential revisions to these leverage targets.**”

# Debt Policy Amendments

Section (IV)(7) Credit Ratings Target: Modifications to reflect that the Authority may not always seek ratings from more than two rating agencies.

“The Authority will seek to obtain the highest possible credit ratings on its debt, consistent with meeting the operational and long-term development needs of the Airport. ~~At a minimum, t~~The Authority ~~will seeks to~~ maintain ratings ~~from at least two of the leading rating agencies for its Senior Lien Airport Revenue Bonds and at a minimum seeks to maintain a rating in the highest category of “A” (e.g. A1, A+) “A1/A+/A+” from all three rating agencies for its Senior Lien Airport Revenue Bonds.”~~

# Debt Policy Amendments

California code now requires that an issuers debt policy includes the purpose for which permitted types of debt may be used.

Policy amended in the following 3 sections:

1. Section (V) (1) Bonds and Subordinate Obligations

“Under the Master Subordinate Indenture, subordinate lien debt is defined as “Subordinate Obligations”. **Proceeds of the Authority’s Bonds and Subordinate Obligations may be used for any legally permitted purposes.**”

# Debt Policy Amendments

and

## 2. Section (IV) (4) Bond Anticipation Notes (“BANs”) and Grant Anticipation Notes:

“...Once an LOI [Letter of Intent] is in hand, notes may be issued that are secured by the grants anticipated to be received from the FAA and/or TSA. However, there typically must be an ancillary source of repayment for the notes in the event grant funding is ultimately not received. **The Authority may use BANs proceeds to finance projects that would be otherwise financed by an upcoming bond issue. The Authority may use GANs proceeds to finance projects permitted by the grants anticipated to be received by the Authority.**”

# Debt Policy Amendments

and

## 3. Section (V)(5) Capital Appreciation Bonds and Zero Coupon Bonds:

“...The Authority will not issue capital appreciation bonds or zero coupon bonds unless the Authority has determined, quantified and demonstrated that there is a significant benefit over traditional structures. **In the event that the Authority issues capital appreciations bonds or zero coupon bonds, proceeds of such bonds may be used for any legally permitted purposes.**”

# Debt Policy Amendments

Section (V)(2) PFC-Supported Bonds and Subordinate Obligations: Confirmation that the Authority currently makes use of PFC's for debt service payments and clarification that the Authority may utilize additional PFC's over and above an irrevocable pledge to meet debt service commitments.

“The Authority ~~intends to~~ leverages PFCs to support investment in Airport infrastructure and facilities. In order to do this, the Authority may make an irrevocable pledge of PFCs to pay eligible debt service **for purposes of compliance with the Additional Bonds Test. The Authority may also deposit additional PFC amounts each year to the debt service fund.** The Authority will not include PFCs in estimates of future revenues pledged to support Annual Debt Service unless approval for their imposition has been obtained or is expected to be obtained from the FAA.”

# Debt Policy Amendments

Section (V)(7) Floating Rate Notes: Modification to reflect the specific nature of the Authority's variable debt instruments.

“Floating Rate Notes (FRNs), **including Revolving Credit Facilities**, are notes that have a variable coupon, equal to a money market reference rate, such as SIFMA (Securities Industry and Financial Markets Association) or LIBOR (the London Interbank Offered Rate), plus a spread. The spread is a rate that remains constant.”

# Debt Policy Amendments

Section (XII)(3) Compliance with federal tax law and market disclosure obligations: minor corrections and recognition of necessary changes required should the SEC expand compliance requirements.

“To assist Underwriters to comply with Securities and Exchange Commission (“SEC”) Rule 15c2-12, ~~except where exceptions apply~~, the Authority has entered into and expects in the future to enter into additional eContinuing Disclosure ~~u~~Undertakings.

And language added the enumerated list of events subject notice requirements:

“Any applicable revision to rule 15c2-12 adopted by the SEC”

# Debt Policy Amendments

## Section (XIII) Ratings Agencies and Investor Relations:

Emphasize the significance of the Authority's web site in conjunction with rating agency and investor relations.

“The Vice President, Finance and Asset Management/Treasurer shall be responsible for implementing and managing the Authority’s investor relations program- **including the maintenance and periodic updating of the financial information provided on the Authority’s web site.** The Authority shall attempt to promptly respond to any reasonable inquiry from an institutional or retail investor concerning information generally available to the investing public.”

# Debt Policy Amendments

The Authority updated and added a number of items in the glossary. These included the definitions of:

“Bondholder”, “Bond Insurance”, “Build America Bonds (“BABs”)”, “Institutional Order”, “Member Order” and “Net Designated Order”.

# Action Requested

- Adopt Resolution No. 2017- approving amendments to Authority Policy 4.40 - Guidelines for Debt Issuance and Management.

# Questions?



## **STAFF REPORT**

Meeting Date: **JUNE 1, 2017**

### **Subject:**

**Approve and Authorize the President/CEO to Execute Service Agreements with Cleantech San Diego and SenseOps for Condensate Sensor Deployment under the San Diego Foundation's Smart Cities & Water Solutions Grant Program**

### **Recommendation:**

Adopt Resolution No. 2017-0051, approving and authorizing the President/CEO to execute service agreements with Cleantech San Diego and SenseOps for condensate sensor deployment, for a term extending to May 1, 2018.

### **Background/Justification:**

In 2016, the Airport Authority prepared a Water Stewardship Plan (WSP), which established the vision to be a leading, world-class steward of water resources and to operate in harmony with the natural water cycle of the San Diego Bay region. The plan addressed issues of water conservation, water quality, and flood risk considerations through an integrated approach that will enable growth in SAN operations, while protecting the region's limited resources and moving toward greater independence from imported water supplies. A key priority in the WSP is pursuing opportunities to capture and reuse water from a variety of sources to offset the nearly 80% of Airport water uses that do not require potable water. Another key action is to leverage data analytics to advance more effective and efficient water conservation and reuse.

In support of the WSP and in response to California's ongoing drought conditions, the Authority launched an innovative condensate capture and reuse project from air handler units (AHUs) on 14 passenger jet bridges. Over the last year, over 103,000 gallons of this collected condensate water was reused for sidewalk power washing, equipment cleaning, and dust control at airport construction sites. While this preliminary project has demonstrated that condensate capture is feasible and beneficial on a small scale, the Authority needs better condensate generation and flow data to inform opportunities to scale this project across its campus.

To address the above-mentioned need, the Authority applied for funding from the San Diego Foundation's Smart Cities & Water Solutions Grant Program in fall 2016 as part of a public-private partnership team. The proposed project would install wireless sensors on approximately 20 AHUs to allow the Authority to monitor the amounts, flow rates, and periodicity of condensate water flows. Cleantech San Diego served as the proposal's lead applicant and fiscal agent and other partners included the Authority, OSIssoft, Qualcomm, and SenseOps, LLC. In November 2016, the team's proposal was one of only two selected in the region for funding by the San Diego Foundation.

The \$80,000 grant award, which expires on May 1, 2018, will mainly be used by project partner SenseOps to engineer and assemble wireless sensors (with the necessary software configurations), network gateways, and the appropriate housing for installation by the Authority on AHUs. The Authority will receive \$5,000 for staff time associated with sensor installation and project outreach efforts. As the project's fiscal agent, Cleantech San Diego will disburse grant funds directly to project team partners for incurred expenses. As such, Authority staff recommends that the Board authorize the President/CEO to execute service agreements with Cleantech San Diego and SenseOps to implement the condensate sensor project, as described.

**Fiscal Impact:**

There will be no net fiscal impact to the Airport Authority. The Airport's direct project expenses (estimated at \$5,000) will be supported by the Environmental Affairs Department and Facilities Management Department's existing FY18 operating budgets and will be reimbursed with grant funds by Cleantech San Diego.

**Authority Strategies:**

This item supports one or more of the Authority Strategies, as follows:

Community Strategy     Customer Strategy     Employee Strategy     Financial Strategy     Operations Strategy

**Environmental Review:**

- A. CEQA: This Board action is not a project that would have a significant effect on the environment as defined by the California Environmental Quality Act ("CEQA"), as amended. 14 Cal. Code Regs. §15378. This Board action is not a "project" subject to CEQA. Cal. Pub. Res. Code §21065.
- B. California Coastal Act Review: This Board action is not a "development" as defined by the California Coastal Act. Cal. Pub. Res. Code §30106.

**Application of Inclusionary Policies:**

Not applicable.

**Prepared by:**

BRENDAN REED  
ENVIRONMENTAL AFFAIRS, DIRECTOR

RESOLUTION NO. 2017-0051

A RESOLUTION OF THE BOARD OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY APPROVING AND AUTHORIZING THE PRESIDENT/CEO TO EXECUTE SERVICE AGREEMENTS WITH CLEANTECH SAN DIEGO AND SENSEOPS FOR CONDENSATE SENSOR DEPLOYMENT, FOR A TERM EXTENDING TO MAY 1, 2018

WHEREAS, the Authority has committed to pursuing a range of potential water capture and reuse opportunities as part of its Water Stewardship Plan to help offset the nearly 80 percent of Airport water uses that do not require potable water; and

WHEREAS, the Authority has successfully implemented a small-scale condensate capture and reuse project at 14 passenger boarding bridges, collecting over 100,000 gallons annually; and

WHEREAS, in order to potentially scale up the reuse of condensate water across the Airport's site, more accurate and granular condensate generation data is needed; and

WHEREAS, the Authority participated on a private-public team proposal, led by Cleantech San Diego, to the San Diego Foundation's Smart Cities & Water Solutions Grant Program, seeking funding to deploy approximately 20 real-time condensate sensors on air handling units at San Diego International Airport; and

WHEREAS, the joint proposal was successfully awarded an \$80,000 grant from the San Diego Foundation, which expires May 1, 2018; and

WHEREAS, the majority of funds will be distributed by Cleantech San Diego to project partner SenseOps to engineer and assemble the wireless sensors; and

WHEREAS, Cleantech San Diego will distribute \$5,000 to the Authority for staff time and related costs associated with sensor installation and broader project outreach efforts.

NOW, THEREFORE, BE IT RESOLVED that the Board approves and authorizes the President/CEO to execute service agreements with Cleantech San Diego and SenseOps for condensate sensor deployment, for a term extending to May 1, 2018; and

BE IT FURTHER RESOLVED that the Authority and its officers, employees, and agents hereby are authorized to do and perform all such acts as may be necessary or appropriate in order to effectuate fully the foregoing resolution; and

BE IT FURTHER RESOLVED that the Board finds that this action is not a "project" as defined by the California Environmental Quality Act ("CEQA") (California Public Resources Code §21065); and is not a "development" as defined by the California Coastal Act (California Public Resources Code §30106).

PASSED, ADOPTED, AND APPROVED by the Board of the San Diego County Regional Airport Authority at a regular meeting this 1<sup>st</sup> day of June, 2017, by the following vote:

AYES: Board Members:

NOES: Board Members:

ABSENT: Board Members:

ATTEST:

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TONY R. RUSSELL  
DIRECTOR, CORPORATE &  
INFORMATION GOVERNANCE /  
AUTHORITY CLERK

APPROVED AS TO FORM:

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AMY GONZALEZ  
GENERAL COUNSEL

## **STAFF REPORT**

Meeting Date: **JUNE 1, 2017**

### **Subject:**

**Adopt Resolution No. 2017-0042R Reflecting Correct Contract Amount for Project No. 104210, Terminal Two East Improvements**

### **Recommendation:**

Adopt Resolution No. 2007-0042R awarding a contract to Prava Construction Services, Inc. in the amount of \$3,581,683.22 for Project No. 104210, Terminal Two East Improvements at San Diego International Airport.

### **Background/Justification:**

On May 4, 2017 the Board adopted Resolution No. 2017-0042 awarding a contract to Prava Construction Services ("Prava"), in the amount of \$3,699,322.94 for Project No. 104210, Terminal 2 East Improvements. [Staff Report and Resolution attached as Exhibit A]. After the Board action, and as a result of staff's due diligence, an error in Prava's bid was discovered resulting in a decrease in the amount of the bid by \$117,639.72. The error was caused by Prava's miscalculation of a unit price item where the unit price was multiplied by the number of units and the total expressed in the bid was incorrect. The Request for Bids states:

"In case of discrepancy between the unit price and the total set forth for a unit price item, the unit price shall prevail, provided, however, if the amount set forth as a unit price is ambiguous, unintelligible or uncertain for any cause, or is omitted, or is the same amount as the entry in the "Total" column, then the amount set forth in the "Total" column for the item shall prevail and shall be divided by the estimated quantity for the item and the price thus obtained shall be the unit price." [1A-2.6 (4)].

Pursuant to the provisions of the RFB set forth above, the correct contract amount for the award to Prava for Project No. 104210 is \$3,581,683.22. Staff requests that the Board rescind Resolution No. 2017-0042 and adopt Resolution No. 2007-0042R to reflect the correct contract amount. All other provisions set forth in the Resolution 2017-0042 adopted by the Board on May 4, 2017 remain unchanged and are incorporated into Resolution No. 2017-0042R.

### **Fiscal Impact:**

Adequate funds for Terminal 2 East Improvements are included within the Board approved FY2017-FY2021 Capital Program Budget, Project No. 104210. Source of funding for this project is Airport Cash.

**Authority Strategies:**

This item supports one or more of the Authority Strategies, as follows:

- Community Strategy   
  Customer Strategy   
  Employee Strategy   
  Financial Strategy   
  Operations Strategy

**Environmental Review:**

- A. CEQA: This project is consistent with Categorical Exemption 15301 - Existing Facilities – Class 1 and consists of the operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features involving negligible or no expansion of use beyond that previously existing, including: (a) Interior or exterior alterations involving such things as interior partitions, plumbing, and electrical conveyances.
- B. California Coastal Act Review: This Board action is not a "development" as defined by the California Coastal Act. Cal. Pub. Res. Code §30106.

**Application of Inclusionary Policies:**

The Authority has the following inclusionary programs/policies: a Disadvantaged Business Enterprise (DBE) Program, an Airport Concession Disadvantaged Business Enterprise (ACDBE) Program, Policy 5.12 and Policy 5.14. These programs/policies are intended to promote the inclusion of small, local, service disabled veteran owned, historically underrepresented businesses and other business enterprises, on all contracts. Only one of the programs/policies named above can be used in any single contracting opportunity.

This contract does not utilize federal funds and provides opportunities for sub-contractor participation; therefore; at the option of the Authority, Policy 5.14 was applied. Policy 5.14 establishes separate goals for the participation of: (1) small businesses; (2) local businesses; and, (3) service disabled veteran owned small businesses (SDVOSB). The local business participation goal can only be applied when the overall local business participation of all Authority contracts at the time of solicitation is less than 60%. The maximum preference applied under Policy 5.14 is seven percent (7%): three percent

(3%) for small business participation; two percent (2%) for local business participation; and two percent (2%) for SDVOSB participation. When bid price is the primary selection criteria, the maximum amount of the preference cannot exceed \$200,000. The preference is only applied in measuring the bid. The final contract award is based on the amount of the original bid. When bid price is not the primary selection criteria, the preference is only applied to determine which proposers are interviewed for final consideration. Per Policy 5.14, the preference is not applied in the final selection.

In accordance with Policy 5.14, Prava Construction Services met the SBE goal of 26% with 44% certified small business participation for a 3% certified small business preference, but did not meet the SDVOSB goal of 3% for a 2% SDVOSB participation preference. At the time of the solicitation it was determined that the Authority's overall local business participation exceeded 60% therefore no preference was applied for local business participation.

**Prepared by:**

IRAJ GHAEMI  
DIRECTOR, FACILITIES DEVELOPMENT

RESOLUTION NO. 2017-0042R

A RESOLUTION OF THE BOARD OF THE  
SAN DIEGO COUNTY REGIONAL AIRPORT  
AUTHORITY AWARDING A CONTRACT TO PRAVA  
CONSTRUCTION SERVICES, INC. IN THE  
AMOUNT OF \$3,581,683.22 FOR PROJECT NO.  
104210, TERMINAL TWO EAST IMPROVEMENTS  
AT SAN DIEGO INTERNATIONAL AIRPORT

WHEREAS, this project is a San Diego County Regional Airport Authority (“Authority”) Board (“Board”) approved project in the FY2017 Capital Improvement Program (“CIP”); and

WHEREAS, the Airport Development Plan (ADP) calls for Terminal 2 East (T2E) to be operational up to Phase 2 of the ADP (approximately 2035); and

WHEREAS, Staff has scoped this project for incremental improvements to enhance customer service and gain operational efficiencies in T2E throughout this period; and

WHEREAS, the scope of work for this project, as depicted in Attachment A, includes the following:

- Replacement of Two Undersized Restrooms at T2E International Gates (Gates 20-22). Currently there are only two all-gender single-accommodation restrooms supporting these gates, which frequently have queues extending into the hold rooms due to the restrooms’ capacity constraint. In addition, these existing restrooms are aged and not compliant with the Americans with Disability Act (ADA). Staff’s current gate utilization plan calls for these gates to be used even more frequently when international enplanements move to Terminal 2 West (T2W) in mid-2018 with the Federal Inspection Services (FIS) project. With the closest traditional terminal restrooms approximately five hundred (500) feet away, it is critical from a customer service perspective that new and more spacious ADA compliant restrooms be built in these hold rooms.
- Installation of New Gate Podiums and Displays - Currently, there are three different podia models in T2E (Gates 20-32). Staff proposes to match the current podia in T2W and back wall displays to create uniformity throughout Terminal 2 thus improving terminal aesthetics.

- Installation of Electronics Charging Counters - This amenity has proven to be exceedingly popular with our passengers in Terminal 1 East (Southwest Airlines rotunda) and staff proposes to install this passenger convenience adjacent to a large hold room near Gate 31.
- Additional Lighting and Ceiling Tile Replacement in T2E Ticket Lobby and Checkpoint – Staff has received tenant complaints regarding inadequate lighting in the ticketing lobby area, and proposes to address this issue through this project. In addition, Staff proposes to match ceiling tiles in both the ticket lobby and security checkpoint areas with the preexisting ceiling tiles at the south end of the ticket lobby.
- Renovation of Concessionaire Service Corridor - This corridor is used frequently by concessionaires to transport goods from the T2E loading dock. Wall repairs and the installation of metal wall panels to prevent future wall damage from the transportation of concessionaire goods are included in the project.
- Demolition of the Former American Airlines Admirals Club – This portion of the project scope will enable Staff to demolish this dated space and create new leasable space for a future tenant.
- Replace Lighting in Three Existing Restrooms in T2W - Energy efficient LED lighting is proposed to be installed to reduce electrical costs and increase illumination within these restrooms.

WHEREAS, the Request for Bids (RFB) for this project was advertised on February 15, 2017; and

WHEREAS, on March 17, 2017, the Authority opened sealed bids received in response to the Bid Solicitation Package; and

WHEREAS, the low bidder, Prava Construction Services, Inc., (“Prava”) submitted a bid in the amount of \$3,699,322.94; and

WHEREAS, on May 4, 2017, the Board adopted Resolution No. 2017-0042 awarding a contract to Prava for Project No. 104210 in the amount of \$3,699,322.94; and

WHEREAS, after the Board award, and before contract execution and as a result of staff’s due diligence, an error in the bid was discovered; and

WHEREAS, the bid submitted by Prava Construction Services, Inc. included an error whereby the total set forth in Line Item 14 of Bid Schedule A was not calculated correctly; and

WHEREAS, the RFB states:

“In case of discrepancy between the unit price and the total set forth for a unit price item, the unit price shall prevail, provided, however, if the amount set forth as a unit price is ambiguous, unintelligible or uncertain for any cause, or is omitted, or is the same amount as the entry in the "Total" column, then the amount set forth in the "Total" column for the item shall prevail and shall be divided by the estimated quantity for the item and the price thus obtained shall be the unit price. [RFB, Section 1A-2.6 (4)]; and

WHEREAS, based on the provisions of the RFB and the unit prices included in Prava’s bid, the correct amount of the bid is \$3,581,683.22; and

WHEREAS, the Authority’s staff has duly considered Prava Construction Services, Inc.’s bid, and has determined Prava Construction Services, Inc., is responsible and that its bid is responsive in all respects; and

WHEREAS, the Board believes that it is in the best interest of the Authority and the public that it serves, for the Board to award Prava Construction Services, Inc., the contract for Project No. 104210, T2 East Improvements, upon the terms and conditions set forth in the Bid Solicitation Package.

NOW, THEREFORE, BE IT RESOLVED that the Board rescinds Resolution No. 2017-0042; and

BE IT FURTHER RESOLVED that the Board hereby awards a contract to Prava Construction Services, Inc., in the amount of \$3,581,683.22, for Project No. 104210, Terminal Two East Improvements at San Diego International Airport; and

BE IT FURTHER RESOLVED that the Authority’s President/CEO or designee hereby is authorized to execute and deliver such contract to Prava Construction Services, Inc.; and

BE IT FURTHER RESOLVED that the San Diego County Regional Airport Authority and its officers, employee, and agents are hereby authorized, empowered, and directed to do and perform such acts as may be necessary or appropriate in order to effectuate fully the foregoing resolutions; and

BE IT FURTHER RESOLVED by the Board that it finds that this Board action is consistent with Categorical Exemption 15301 - Existing Facilities – Class 1 and consists of the operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features involving negligible or no expansion of use beyond that previously existing, including: (a) Interior or exterior alterations involving such things as interior partitions, plumbing, and electrical conveyances; and is not a “development” as defined by the California Coastal Act (California Public Resources Code §30106).

PASSED, ADOPTED, AND APPROVED by the Board of the San Diego County Regional Airport Authority at a regular meeting this 1<sup>st</sup> day of June, 2017, by the following vote:

AYES: Board Members:

NOES: Board Members:

ABSENT: Board Members:

ATTEST:

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TONY R. RUSSELL  
DIRECTOR, CORPORATE &  
INFORMATION GOVERNANCE /  
AUTHORITY CLERK

APPROVED AS TO FORM:

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AMY GONZALEZ  
GENERAL COUNSEL

## **STAFF REPORT**

Meeting Date: **JUNE 1, 2017**

### **Subject:**

#### **Discussion and Possible Action Regarding Assembly Bill 805**

### **Recommendation:**

Adopt Resolution No. 2017-0044, adopting a WATCH position on Assembly Bill 805.

### **Background/Justification:**

During the April 6, 2017, Authority Board meeting, the Board did not adopt a staff recommended position for Assembly Bill (AB) 805 (Gonzalez Fletcher). The Board, instead, directed staff to provide a detailed report on this bill during its May 4, 2017, meeting to allow for further Board *discussion* and consideration of this legislation. Following a May 4, 2017, staff presentation that provided a detailed summary of AB 805, the Board discussed this legislation but did not adopt a position on AB 805. The Board directed Authority staff to present the Board with an update on AB 805 during its June 1, 2017, meeting.

### **Assembly Bill 805**

Assembly Bill 805 has undergone four sets of amendments following its February 15, 2017, introduction in the California State Assembly. As amended on May 11, 2017, AB 805 would continue to make changes to the governance of the San Diego Association of Governments (SANDAG), the Metropolitan Transit System (MTS) and the North County Transit District (NCTD). The following is a summary of the specific provisions included in the current version of AB 805:

### **SANDAG**

- Requires the mayor and city council president of the City of San Diego to serve as SANDAG board members
- Requires the chair of the County Board of Supervisors to serve on the SANDAG board as one of the County's two representatives
- Requires that the County's representatives to the SANDAG board be representatives of both substantially incorporated and substantially unincorporated districts
- Establishes that the mayors of the county's two largest cities would alternate as SANDAG board chair and vice chair, serving four-year terms
- Provides for a one vote per board member voting process to approve an item but allows the members of any four jurisdictions to call for a weighted vote to reconsider action taken on an item
- Requires a minimum vote of four jurisdictions and a minimum of fifty-one percent of weighted votes in the affirmative to approve an item using the weighted vote process
- Establishes a fifty-vote weighted voting allocation cap for any one agency

- Creates a five-member SANDAG audit committee (including three public members and two SANDAG board members) with the authority to appoint an independent performance auditor
- Requires SANDAG's transportation committee to submit an annual public transit report to the State Legislature
- Requires SANDAG's regional comprehensive plan to address greenhouse gas (GHG) reduction targets set by the State Air Resources Board, to identify disadvantaged communities, and specify strategies related to those matters

**MTS**

- Requires that one of the City of San Diego's four representatives on the MTS board be the mayor of the City of San Diego
- Requires that one of the City of Chula Vista's two representatives on the MTS board be the mayor of the City of Chula Vista
- Establishes that the MTS board chair be selected by a two-thirds vote of the MTS board
- Provides for a one vote per MTS board member voting process to approve an item but allows the members of any three jurisdictions to call for a weighted vote to reconsider action taken on an item
- Requires a minimum vote of three jurisdictions and a minimum of fifty-one percent of weighted votes in the affirmative to approve an item using the weighted vote process
- Authorizes MTS to impose transactions and use taxes and authorize the issue of bonds backed by those tax revenues for transportation projects within the MTS jurisdiction

**NCTD**

- Provides for a one vote per NCTD board member voting process to approve an item but allows the members of any three jurisdictions to call for a weighted vote to reconsider action taken on an item
- Requires a minimum vote of three jurisdictions and a minimum of fifty-one percent of weighted votes in the affirmative to approve an item using the weighted vote process
- Authorizes NCTD to impose transactions and use taxes and authorize the issue of bonds backed by those tax revenues for transportation projects within the NCTD jurisdiction

The Authority's legislative team has determined that the enactment of AB 805 would not directly impact San Diego International Airport (SDIA) or the Airport Authority and recommends that the Board adopt a WATCH position on AB 805.

**Fiscal Impact:**

Not applicable.

**Authority Strategies:**

This item supports one or more of the Authority Strategies, as follows:

- Community Strategy     Customer Strategy     Employee Strategy     Financial Strategy     Operations Strategy

**Environmental Review:**

- A. CEQA: This Board action is not a project that would have a significant effect on the environment as defined by the California Environmental Quality Act ("CEQA"), as amended. 14 Cal. Code Regs. §15378. This Board action is not a "project" subject to CEQA. Cal. Pub. Res. Code §21065.
- B. California Coastal Act Review: This Board action is not a "development" as defined by the California Coastal Act. Cal. Pub. Res. Code §30106.

**Application of Inclusionary Policies:**

Not applicable.

**Prepared by:**

MICHAEL KULIS  
DIRECTOR, INTER-GOVERNMENTAL RELATIONS

RESOLUTION NO. 2017-0044

A RESOLUTION OF THE BOARD OF THE SAN  
DIEGO COUNTY REGIONAL AIRPORT AUTHORITY  
ADOPTING A WATCH POSITION ON ASSEMBLY  
BILL 805

WHEREAS, on April 6, 2017, the San Diego County Regional Airport Authority (“Authority”) Board directed staff to provide the Board a detailed analysis of Assembly Bill 805 (Gonzalez Fletcher) at the May 4, 2017, Board meeting to allow for discussion and consideration of this legislation; and

WHEREAS, on May 4, 2017, the Board did not adopt a position on AB 805, and instead, directed staff to provide an update on this legislation at the June 1, 2017, Board meeting; and

WHEREAS, Assembly Bill 805, introduced on February 15, 2017, and amended on March 23, 2017, April 6, 2017, April 20, 2017, and May 11, 2017, continues to propose changes to the governance and functions of the San Diego Association of Governments (SANDAG), the Metropolitan Transit System (MTS), and the North County Transit District (NCTD); and

WHEREAS, Assembly Bill 805 would require both the mayor and city council president for the City of San Diego to serve as SANDAG board members and would require the chair of the County Board of Supervisors to serve as one of the County’s two representatives on the SANDAG Board; and

WHEREAS, Assembly Bill 805 would require that the mayors of San Diego County’s two largest cities alternate as chair and vice chair of the SANDAG board, serving four-year terms; and

WHEREAS, Assembly Bill 805 would allow for the members representing any four jurisdictions to call for the use of a weighted vote to approve SANDAG board actions; and

WHEREAS, Assembly Bill 805 would require the creation of a five-member San Diego Association of Governments audit committee; and

WHEREAS, Assembly Bill 805 would allow for the members representing any three MTS or NCTD jurisdictions to call for the use of a weighted vote to approve their respective board actions; and

WHEREAS, Assembly Bill 805 would authorize the Metropolitan Transit System and North County Transit District to impose transactions and use taxes

and authorize the issuance of bonds backed by those tax revenues for transportation projects within their respective districts.

NOW, THEREFORE, BE IT RESOLVED that the Board hereby adopts a WATCH position on Assembly Bill 805; and

BE IT FURTHER RESOLVED that the Board finds that this action is not a "project" as defined by the California Environmental Quality Act ("CEQA") (Cal. Pub. Res. Code § 21065); and is not a "development" as defined by the California Coastal Act (Cal. Pub. Res. Code § 30106).

PASSED, ADOPTED, AND APPROVED by the Board of the San Diego County Regional Airport Authority at a regular meeting this 1<sup>st</sup> day of June, 2017, by the following vote:

AYES: Board Members:

NOES: Board Members:

ABSENT: Board Members:

ATTEST:

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TONY RUSSELL  
DIRECTOR, CORPORATE  
& INFORMATION GOVERNANCE/  
AUTHORITY CLERK

APPROVED AS TO FORM:

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AMY GONZALEZ  
GENERAL COUNSEL



# Discussion and Possible Action Regarding AB 805

Presented by: Michael Kulis,  
Director, Inter-Governmental Relations

June 1, 2017

# Background

- Authority Legislative Advocacy Program Policy provides opportunity to adopt positions on legislation determined to have potential impact on Authority operations or functions
- Action is normally taken during Board consideration of monthly Legislative Report and legislative team's recommended positions

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY	
POLICIES	
ARTICLE 1	ADMINISTRATION AND GOVERNANCE
PART 1.6	INTERGOVERNMENTAL RELATIONS
SECTION 1.60	LEGISLATIVE ADVOCACY PROGRAM

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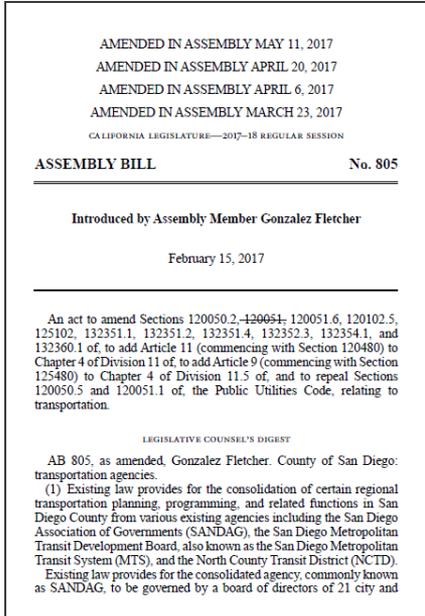
**PURPOSE:** To establish a policy governing the procedures relating to advocating on the behalf of the San Diego County Regional Airport Authority (the "Authority") on federal, state and local legislative matters.

**POLICY STATEMENT:**

- (1) Under the direction of the Authority Board, the Authority operates San Diego International Airport, plans for necessary improvements to the regional air transportation system in San Diego County, and serves as the responsible agency for airport land use planning within the County.
- (2) It is important for the Authority to protect the airport and its planning functions by promoting public policies consistent with the Authority's mandates and objectives.
- (3) The Authority Board may direct staff to monitor and advocate on its behalf in support of or opposition to existing or proposed legislative actions that are either beneficial or harmful to the interests of the Authority.
- (4) The Authority Board may direct staff to utilize advocates in Sacramento and Washington, D.C. to assist the Authority to identify legislative issues of interest, advocate in support of or opposition to specific policy matters, and obtain grants and other funding from the state and federal governments.
- (5) It is vital that the Authority Board establish well-defined legislative policy goals and positions in order for Authority staff and its legislative advocates to carry out the public policy objectives of the Board. The following actions will be taken to ensure this occurs:
  - (a) The Authority Board shall adopt a legislative agenda to include general legislative guidelines and specific goals. Such an agenda will serve as the foundation of the Authority's legislative advocacy program.
  - (b) The Authority Board shall receive a staff legislative report on a monthly basis at the Board's first monthly regular meeting. At such time, the Board shall give direction to staff on pending legislation.

# Background on AB 805

- During the April 6, 2017, Board meeting, Authority staff was directed to provide the Board a detailed analysis of AB 805 (Gonzalez Fletcher) at the May Board meeting.
- Following a staff presentation and Board discussion on AB 805 during the May 4, 2017, Board meeting, the Board did not adopt a position on this bill.



# Background on AB 805

- The Board directed staff to provide an update on AB 805 at the June 1, 2017, Board meeting.
- On May 11, 2017, AB 805 was amended for the fourth time.
- The Board will have the opportunity today to discuss the latest version of AB 805 and determine what, if any, position the Authority should take on the legislation.

AMENDED IN ASSEMBLY MAY 11, 2017  
AMENDED IN ASSEMBLY APRIL 20, 2017  
AMENDED IN ASSEMBLY APRIL 6, 2017  
AMENDED IN ASSEMBLY MARCH 23, 2017  
CALIFORNIA LEGISLATURE—2017-18 REGULAR SESSION

**ASSEMBLY BILL** **No. 805**

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**Introduced by Assembly Member Gonzalez Fletcher**

February 15, 2017

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An act to amend Sections 120050.2, ~~120051~~, 120051.6, 120102.5, 125102, 132351.1, 132351.2, 132351.4, 132352.3, 132354.1, and 132360.1 of, to add Article 11 (commencing with Section 120480) to Chapter 4 of Division 11 of, to add Article 9 (commencing with Section 125480) to Chapter 4 of Division 11.5 of, and to repeal Sections 120050.5 and 120051.1 of, the Public Utilities Code, relating to transportation.

LEGISLATIVE COUNSEL'S DIGEST

AB 805, as amended, Gonzalez Fletcher. County of San Diego: transportation agencies.

(1) Existing law provides for the consolidation of certain regional transportation planning, programming, and related functions in San Diego County from various existing agencies including the San Diego Association of Governments (SANDAG), the San Diego Metropolitan Transit Development Board, also known as the San Diego Metropolitan Transit System (MTS), and the North County Transit District (NCTD). Existing law provides for the consolidated agency, commonly known as SANDAG, to be governed by a board of directors of 21 city and

# Assembly Bill 805

AB 805 would make the following SANDAG governance changes:

- City of San Diego representatives would be the mayor and city council president
- Mayors of two largest cities alternate as chair and vice chair
- Board of Supervisors Chair would serve as one of County's two representatives
- County board members will represent both incorporated and unincorporated districts



# Assembly Bill 805

- Tally vote process, but any four jurisdictions can call for a weighted vote
- Weighted vote requires minimum vote of four jurisdictions and minimum of 51 percent of weighted votes to approve an item
- Establishes a cap of 50 weighted vote points for any one agency
- Creates new five-member Audit Committee



# Assembly Bill 805

- **Transportation Committee to submit annual public transit report to the Legislature**
- **Regional Comprehensive Plan to address CARB's GHG emissions reduction targets and specify strategies for mode shift to public transportation**
- **Regional Comprehensive Plan to identify disadvantaged communities, and specify strategies to reduce pollution there**



# Assembly Bill 805

## AB 805 would make the following MTS governance changes:

- Four San Diego board representatives
  - Mayor and three councilmembers
- Two Chula Vista board representatives
  - Mayor and councilmember
- MTS chair selected by 2/3 board vote
- Tally vote process, but any three jurisdictions can call for a weighted vote



# Assembly Bill 805



- Weighted vote requires minimum vote of three jurisdictions and minimum of 51 percent of weighted votes to approve an item
- MTS authorized to impose transactions and use taxes and authorize issuance of bonds backed by those tax revenues

# Assembly Bill 805

## AB 805 would make the following NCTD governance changes:

- Tally vote process, but any three jurisdictions can call for a weighted vote
- Weighted vote requires minimum vote of three jurisdictions and minimum of 51 percent of weighted votes to approve an item
- NCTD authorized to impose transactions and use taxes and authorize issuance of bonds backed by those tax revenues



# Status of Assembly Bill 805

- March 23, 2017 – Amended in Assembly
- April 6, 2017 – Amended in Assembly
- April 19, 2017 – Approved by Assembly Committee on Local Government on a 5-4 vote
- April 20, 2017 – Amended and referred to Assembly Committee on Transportation
- April 24, 2017 – Approved by Assembly Committee on Transportation on a vote of 10-4
- May 11, 2017 – Amended and Referred to Assembly Committee on Appropriations Suspense File

Staff Recommendation - Adopt a WATCH position





# Recommended Action

**Adopt Resolution  
Adopting a WATCH  
Position on AB 805**

# Questions?



**STAFF REPORT**

Meeting Date: **JUNE 1, 2017**

**Subject:**

**Approval and Adoption of the Operating Budget for Fiscal Year 2018, the Capital Program for Fiscal Years 2018-2022, and Conceptual Approval of the Operating Budget for Fiscal Year 2019**

**Recommendation:**

Adopt Resolution No. 2017-0053, approving and adopting the Authority's Annual Operating Budget for Fiscal Year 2018, the Capital Program for Fiscal Years 2018-2022, and conceptually approving the Operating Budget for Fiscal Year 2019.

**Background/Justification:**

On May 18, 2017 the Board participated in a Board Workshop regarding the proposed FY 2018 and FY 2019 Operating Budgets and FY 2018 – FY 2022 Capital Program. After an in-depth presentation and discussion, the proposed FY 2018 Operating Budget and FY 2018– FY 2022 Capital Program were forwarded for Board approval and adoption at the June 1, 2017 Board meeting. In addition, the proposed FY 2019 Operating Budget was forwarded for conceptual approval at the June 1, 2017 Board meeting. Per Authority Policy 4.01, the Authority's Board of Directors determined that the preparation and adoption of an annual budget will assist in (a) determining the Authority's short-term and long-term strategic and financial planning needs, and (b) effectively managing the facilities and airport under the jurisdiction of the Authority.

The proposed FY 2018 Operating Budget ("Budget") of \$295,205,000 marks the Authority's fifteenth fiscal year operating budget. The Budget reflects operational and environmental challenges, and continued modest economic and industry growth. It supports passenger-focused, business driven and community-centered enterprise.

Once approved and adopted by the Board, the Budget will become the spending plan (and spending limit) for the Authority for FY 2018. Actual revenues and expenditures will be monitored during the year and reported to the Board at least quarterly. The Budget may be modified by the Board to reflect new assumptions or events based on periodic reporting and good cause.

The FY 2018 Budget Expenses are comprised of the following divisional expenditure levels:

<u>Division</u>	<u>FY 2018</u>
Operations	\$116,659,558
Debt Service	104,691,638
Development	27,401,687

Finance & Asset Management	27,173,799
Executive	<u>19,278,318</u>
Total	<u><u>\$295,205,000</u></u>

This operating budget reflects a total increase of \$31.6 million, or 12.0%, over the FY 2017 Budget. The increase over the FY 2017 Budget is mostly attributed to a \$23.8 million increase in debt service costs, an increase of \$2.4 million in personnel costs, an increase in parking and shuttle operations costs of \$2.2 million and an increase in Harbor Police costs of \$1.7 million.

The budgeted operating and non-operating revenue of \$373.4 million is an increase of \$28.4 million, or 8.2%, over the FY 2017 Budget. The increase over the FY 2017 Budget reflects an increase of \$6.2 million in non-airline revenue, an increase of \$7.1 million in airline revenue, and an increase of \$15.1 million in non-operating revenue.

Total FY 2018 airline revenue is projected to be \$124.3 million as compared to \$117.2 million in the FY 2017 Budget, a \$7.1 million increase. The projected landing fee rate is decreasing from \$2.21 to \$2.18 per thousand pound units and the terminal gross rental rate per square feet is increasing from \$146.28 to \$161.01. Airlines, rates, fees, and charges are monitored and adjusted, if necessary, during the year.

The net increase of \$6.2 million in non-airline revenue predominantly consists of \$1.8 million increase in terminal concessions revenue, \$1.4 million in rental car license fees, \$1.2 million in ground rentals revenue and \$1.1 million in ground transportation permits. Parking revenue is anticipated to remain flat to FY 2017 budget reflecting a full year of construction on the Parking Plaza. In an effort to increase parking revenue staff is exploring a number of marketing programs such as corporate parking. These types of programs may require the use of flexible rates which would not exceed the Board Approved parking rates. The Board has exclusive authority to charge or set fees for parking at San Diego International Airport [Authority Policy 6.30(2)]. Staff recommends that the Board authorize the President/CEO to modify parking rates for promotional programs not to exceed the Board approved rates.

The net increase of \$15.1 million in non-operating revenue consists of increases of \$10.4 million in Capital Grant contributions, \$2.7 million in Customer Facility Charges (CFC) and \$2.3 million in interest income.

The projected FY 2018 revenues will cover the FY 2018 proposed budgeted expenses and debt service requirements, and will also provide for adequate working capital.

The Capital Program is comprised of 1) the Capital Improvement Program (CIP); and 2) Parking Plaza and Terminal 2 West Federal Inspection Services (FIS) Build out

The Capital Improvement Program (CIP) is a rolling five year program which provides for critical improvements and asset preservation for the Authority. The program includes projects that address airfield safety and capacity, environmental protection, terminal enhancements, and landside infrastructure and access improvements. The CIP proposed total is \$978.4 million.

**Page 3 of 4**

In FY 2017 the board amended the Capital Program to include Terminal 2 West FIS Build out with the budget of \$229.5 million.

Funding sources for the projects include Airport Improvement Program (AIP) grants, TSA grants, Passenger Facility Charges (PFCs), Customer Facility Charges (CFCs), airport cash, airport system revenue bonds, special facility bonds, and may include short-term borrowing using bank facility financing.

The FY 2018 – FY 2022 proposed Capital Program total is \$1,208 million.

Use of Funds (in millions):

Landside and Ancillary	534.3
Airside	455.8
Terminal	152.5
Administrative	<u>65.2</u>
Total Use of Funds	\$1,207.9

Source of Funds (in millions):

Airport System Revenue Bonds	\$685.4
Airport Cash	310.4
PFC Revenues	88.4
Federal Grants	54.2
CFC Revenues	42.8
Special Facility Bonds	19.2
Other	<u>7.4</u>
Total Use of Funds	\$1,207.9

In summary, the Operating Budget and Capital Program as presented are consistent with Board policy and were developed under the guidance of the Authority's President/CEO and Chief Financial Officer. The budget reflects the revenues available to the Authority, and how these funds will be spent to support the Authority's Strategic Plan and Initiatives for FY 2018.

The Authority also embarked on its seventh year of preparing a biennial budget. As such, a budget for FY 2019 was developed and proposed for conceptual approval.

The proposed FY 2019 Budget Expenses total \$307,235,000 and are comprised of the following divisional expenditure levels:

<u>Division</u>	<u>FY 2019</u>
Operations	\$122,970,217
Debt Service	109,682,299
Finance & Asset Management	28,148,613
Development	27,192,868
Executive	19,241,002

Total

\$307,235,000

This budget reflects a total increase of \$12.03 million, or 4.1%, above the proposed FY 2018 Budget. This increase is mostly attributed to an increase of \$5.0 million in debt service costs, an increase of \$3.8 million in non-personnel operating expenses, and an increase of \$3.3 million in personnel costs.

The budgeted operating and non-operating revenues of \$399.3 million are an increase of \$25.9 million, or 6.9%, over the proposed FY 2018 Budget. This net increase reflects an increase of \$12.3 million in airline revenue, an increase of \$9.5 million in non-airline revenue and an increase of \$4.2 million in non-operating revenue.

The conceptually approved FY 2019 budget will be brought back to the Board next year for review, revisions, and adoption in summer 2018.

### **Fiscal Impact:**

If the proposed FY 2018 Budget is approved and adopted and the proposed FY 2019 Budget is conceptually approved, funding of \$295,205,000 will be authorized for FY 2018 and funding of \$307,235,000 will be established as the framework for the FY 2019 Budget, which will be brought back to the Board next year for review, revisions, and adoption in June 2018. If the Capital Program is approved, \$1,207,853,933 will become the authorized spending level.

### **Authority Strategies:**

This item supports one or more of the Authority Strategies, as follows:

- Community Strategy     Customer Strategy     Employee Strategy     Financial Strategy     Operations Strategy

### **Environmental Review:**

- A. California Environmental Quality Act: This Board action is not a project that would have a significant effect on the environment as defined by the California Environmental Quality Act ("CEQA"), as amended. 14 Cal. Code Regs. §15378. This Board action is not a "project" subject to CEQA. Cal. Pub. Res. Code §21065.
- B. California Coastal Act Review: This Board action is not a "development" as defined by the California Coastal Act. Cal. Pub. Res. Code §30106.

### **Application of Inclusionary Policies:**

Not Applicable.

### **Prepared by:**

SCOTT M. BRICKNER  
VICE PRESIDENT, FINANCE & ASSET MANAGEMENT/TREASURER

RESOLUTION NO. 2017-0053

A RESOLUTION OF THE BOARD OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY APPROVING AND ADOPTING THE AUTHORITY'S ANNUAL OPERATING BUDGET FOR FISCAL YEAR 2018, THE CAPITAL PROGRAM FOR FISCAL YEARS 2018 – 2022, AND CONCEPTUALLY APPROVING THE OPERATING BUDGET FOR FISCAL YEAR 2019.

WHEREAS, Authority management prepared and presented the Proposed Fiscal Year 2018 and 2019 Conceptual Operating Budgets and the Capital Program to the Authority Board for review at a duly noticed public workshop on May 18, 2017; and

WHEREAS, the Board provided opportunities at its meetings for members of the public to comment on and ask questions concerning the Proposed Fiscal Year 2018 and 2019 Operating Budgets and Capital Program; and

WHEREAS, Authority Policy 6.30 states that the Board shall have exclusive authority to set fees for parking at San Diego International Airport; and

WHEREAS, during the public workshop, staff discussed parking promotional programs that may require modified parking rates not to exceed the Board approved rates; and

WHEREAS, the Proposed Fiscal Year 2018 and 2019 Conceptual Operating Budgets present a financial operating expenditure budget of \$295,205,000 and \$307,235,000, respectively, and a Capital Program for the next five (5) years of \$1,207,853,933, providing adequate resources to address the operating and infrastructure requirements of San Diego International Airport and the regional responsibilities of the Authority for Fiscal Years 2018 and 2019; and

WHEREAS, the Proposed Fiscal Year 2018 and 2019 Conceptual Operating Budgets present forecasted operating revenues and other funding to meet a balanced budget and other financial requirements as outlined under the Authority's Bond Master Trust Indenture; and

WHEREAS, the Board has reviewed the Proposed Fiscal Year 2018 and 2019 Conceptual Operating Budgets and the Capital Program and believes that the approval and adoption in the forms presented to the Board at the public meetings on May 18, 2017 and June 1, 2017, is in the best interests of the Authority and the public that it serves.

NOW, THEREFORE, BE IT RESOLVED that the Board approves and adopts the Authority's Annual Operating Budget for Fiscal Year 2018, the Capital Program for Fiscal Years 2018-2022, and conceptually approving the Operating Budget for Fiscal Year 2019; and

BE IT FURTHER RESOLVED that the Authority and all of its officers, employees and agents are hereby authorized, empowered and directed to do and perform all such acts as may be necessary or appropriate to implement the Adopted Annual Operating Budget for Fiscal Year 2018 and the Capital Program; and

BE IT FURTHER RESOLVED that the Board authorizes the President/CEO to modify parking rates for promotional programs not to exceed the Board approved rates; and

BE IT FURTHER RESOLVED that the Board finds that this action is not a "project" as defined by the California Environmental Quality Act (CEQA), Cal. Pub. Res. Code §21065; and is not a "development" as defined by the California Coastal Act, Cal. Pub. Res. Code Section §30106.

PASSED, ADOPTED AND APPROVED by the Board of the San Diego County Regional Airport Authority at a regular meeting this 1<sup>st</sup> day of June, 2017 by the following vote:

AYES: Board Members:  
NOES: Board Members:  
ABSENT: Board Members:

ATTEST:

---

TONY RUSSELL  
DIRECTOR, CORPORATE  
& INFORMATION GOVERNANCE/  
AUTHORITY CLERK

APPROVED AS TO FORM:

---

AMY GONZALEZ  
GENERAL COUNSEL

**San Diego County Regional Airport Authority  
FY 2018 Proposed Budget, Capital Program  
for FY 2018-2022, & FY 2019 Proposed  
Conceptual Budget**

**Budget Adoption**



**SAN DIEGO**  
INTERNATIONAL AIRPORT

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**Presented by:**

Scott Brickner, Vice President  
Finance & Asset Management/ Treasurer

# Agenda

## 1. Budget Overview

- Revenue
- Expense

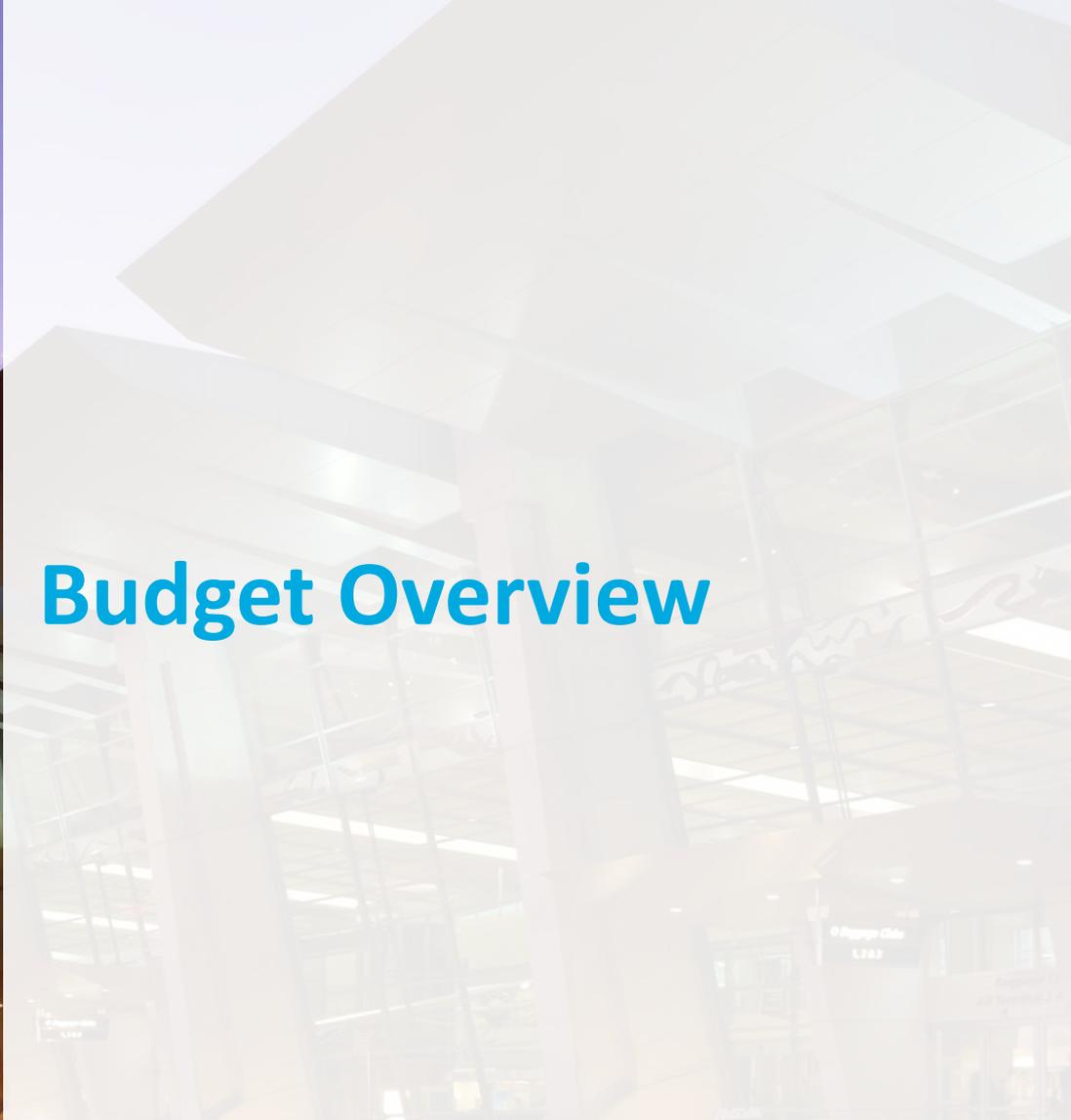
## 2. Capital Program Budget

## 3. Plan of Finance FY 2018-2022

## 4. Conclusion



# Budget Overview





# Revenue Budget Overview



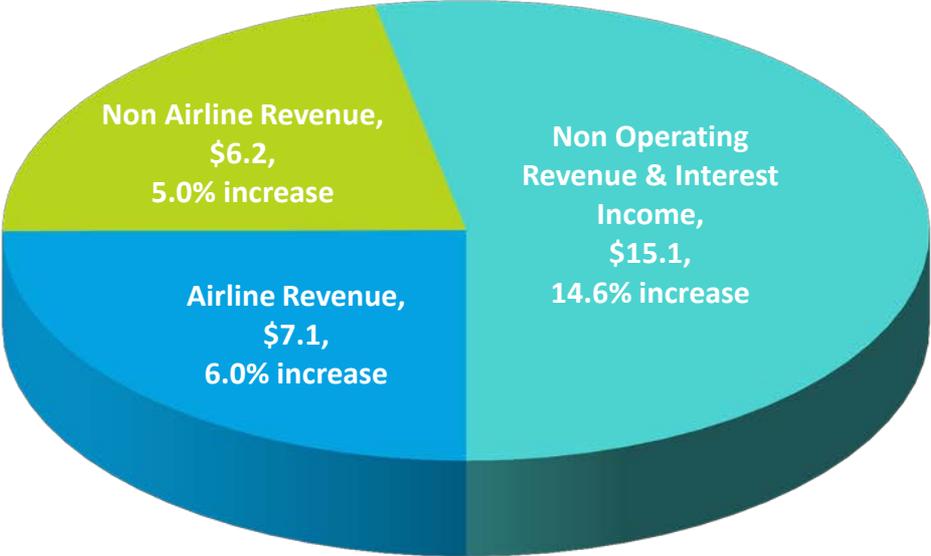
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# FY 2018 Budget Revenue Increase vs. FY 2017 Budget

## \$28.4M (8.2%)

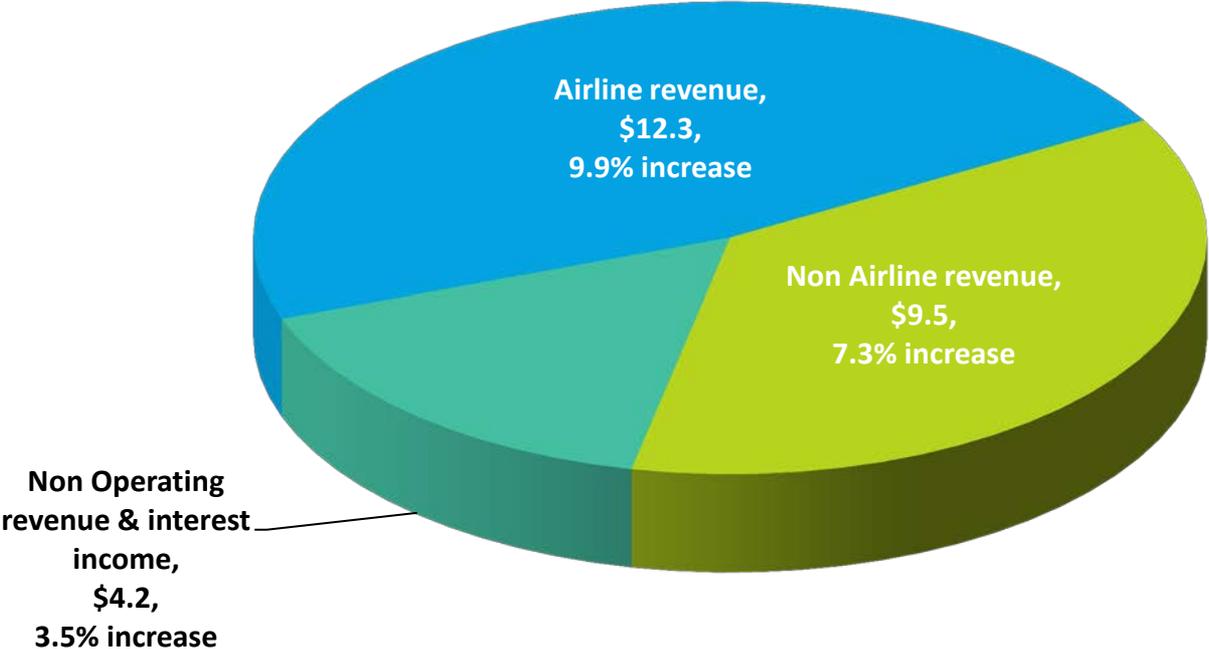
(in millions)



# FY 2019 Budget Revenue Increase vs. FY 2018 Budget

**\$25.9M (6.9%)**

*(in millions)*



# FY 2018 – FY 2019 Revenue Budget Summary

	FY 2018 Budget	FY 2019 Conceptual Budget
<b>Operating Revenue:</b>		
<b>Airline Revenue</b>		
Landing Fees	\$ 27,712,653	\$ 31,463,972
Aircraft Parking Fees	3,019,412	3,421,863
Building Rentals	59,007,990	65,470,144
Common Use System Support Charges	1,401,408	1,506,613
Other Aviation Revenue	195,498	199,408
Security Surcharge	32,915,963	34,444,277
<b>Total Airline Revenue</b>	<b>124,252,924</b>	<b>136,506,276</b>
<b>Non-Airline Revenue</b>		
Terminal rent non-Airline	1,584,928	1,604,432
Terminal concessions	25,702,218	26,430,755
Rental Car License Fees	30,081,562	30,196,721
License Fees Other	4,785,748	4,867,009
Parking Revenue	40,600,661	47,330,832
Ground Transportation Permits and Citations	7,376,756	9,276,756
Ground Rentals	19,805,203	19,711,964
Grant Reimbursements	-	-
Other Operating Revenue *	773,469	773,469
<b>Total Non-Airline Revenue</b>	<b>130,710,546</b>	<b>140,191,938</b>
<b>Total Operating Revenue</b>	<b>254,963,470</b>	<b>276,698,215</b>
<b>Interest Income</b>	8,782,637	9,991,223
<b>Non-Operating Revenue</b>		
Passenger facility charges	42,304,130	43,022,439
Customer facility charges (Rental Car Center)	40,008,566	40,689,655
Quieter Home Program	10,992,000	10,992,000
BAB Interest Rebate	4,656,199	4,631,219
Capital grant contributions	11,700,000	13,296,250
Other Nonoperating Revenue	-	-
<b>Total Non-Operating Revenue</b>	<b>109,660,894</b>	<b>112,631,563</b>
<b>Total Revenue</b>	<b>\$ 373,407,000</b>	<b>\$ 399,321,000</b>

\*Other Operating Revenue includes: Finger Printing Fees, Utilities Reimbursements, Service Charges, Equipment Rental and Miscellaneous Revenues



# Expense Budget Overview



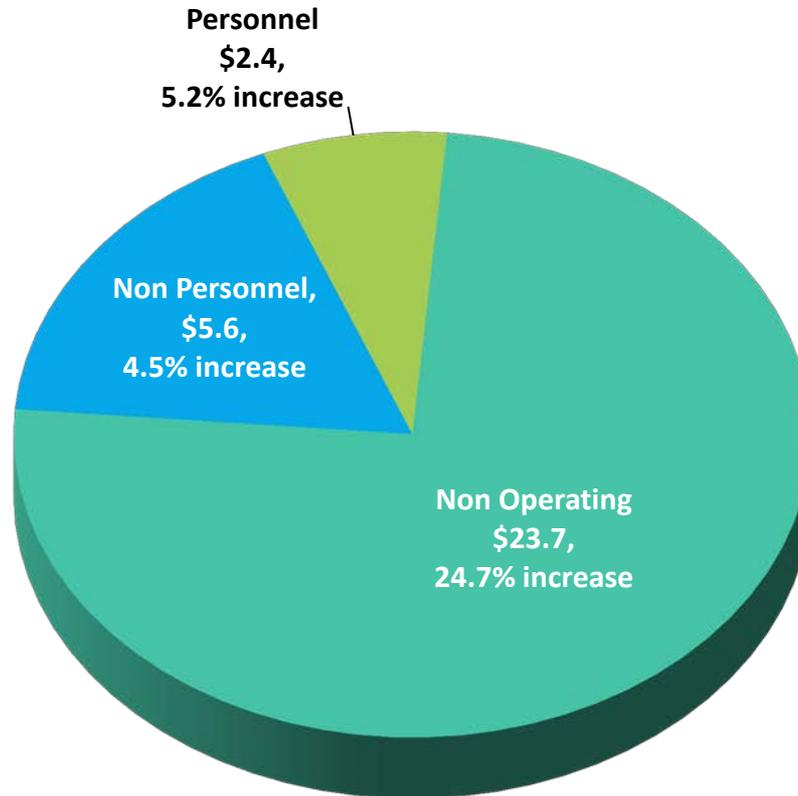
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# FY 2018 Budget Expense Increase vs. FY 2017 Budget

## \$31.6M (12.0%)

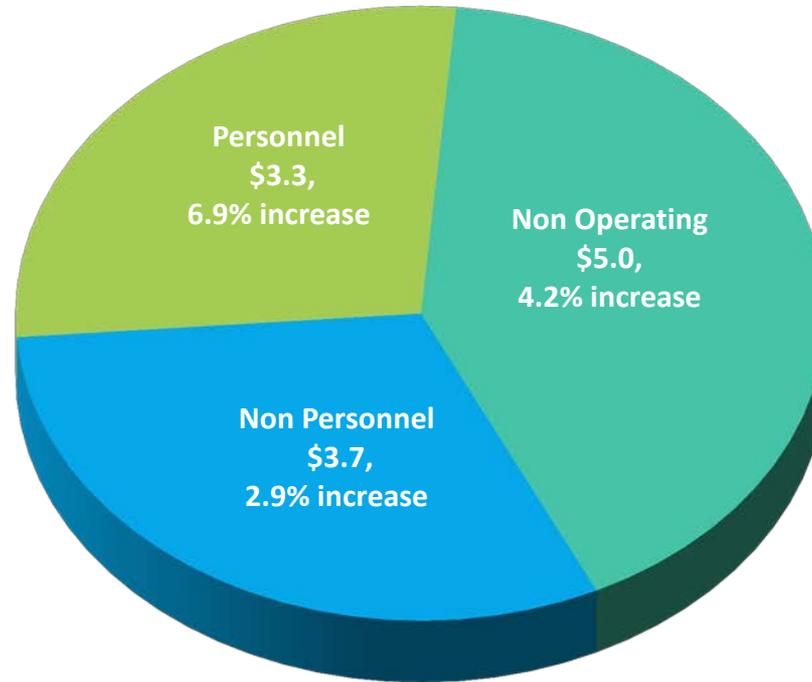
(in millions)



# FY 2019 Budget Expense Increase vs. FY 2018 Budget

## \$12.0M (4.1%)

*(in millions)*



# FY 2018 – FY 2019 Expense Budget Summary

	FY 2018 Proposed Budget	FY 2019 Proposed Conceptual Budget
<b>Operating Expenses:</b>		
<b>Personnel Expenses</b>		
Salaries and Wages	\$ 36,215,159	\$ 37,976,184
Premium Overtime	749,000	749,000
Employee Benefits	17,974,766	20,159,831
Subtotal	54,938,926	58,885,015
<i>Less: Capitalized Labor</i>	<i>(6,301,674)</i>	<i>(6,873,129)</i>
<i>Less: QHP - Labor/Burden/Labor Overhead</i>	<i>(717,096)</i>	<i>(769,358)</i>
<b>Total Personnel Expenses</b>	<b>47,920,156</b>	<b>51,242,528</b>
<b>Non-Personnel Expenses</b>		
Contractual Services	46,993,765	48,769,196
Safety and Security	31,064,556	32,964,718
Space Rental	10,190,750	10,190,750
Utilities	12,250,493	12,933,070
Maintenance	15,352,342	15,315,254
Operating Equipment & Systems	368,378	362,460
Operating Supplies	474,589	465,934
Insurance	1,202,600	1,342,020
Employee Programs	1,317,630	1,195,381
Business Development	3,744,934	3,128,614
Equipment Rentals & Repairs	2,666,170	2,765,776
Tenant Improvements	860,000	860,000
<b>Total Non-Personnel Expenses</b>	<b>126,486,206</b>	<b>130,293,173</b>
<b>Total Operating Expenses</b>	<b>174,406,362</b>	<b>181,535,701</b>
<b>Non-Operating Expenses:</b>		
Joint Studies/Sound Attenuation	14,640,000	14,640,000
Debt Service	104,691,638	109,682,299
Legal Settlements Expense	10,000	10,000
<b>Total Non-Operating Expenses</b>	<b>119,341,638</b>	<b>124,332,299</b>
<b>Total Expenses</b>	<b>293,748,000</b>	<b>305,868,000</b>
<b>Equipment Outlay</b>	<b>1,457,000</b>	<b>1,367,000</b>
<b>Total Authority Expenses incl Equip Outlay</b>	<b>\$ 295,205,000</b>	<b>\$ 307,235,000</b>



# Capital Program Budget Fiscal Years 2018 – 2022



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# Capital Program Budget Summary

FY 2017 - 2021 Capital Program	\$ 631,403,029
Rental Car Center	<u>316,124,104</u>
<b>FY 2017 - 2021 Beginning Capital Program Budget</b>	<b>\$ 947,527,133</b>
Terminal 2 West FIS Build-out	\$ 229,474,214
FY 2017 - 2021 Project Closeouts/Cancellations	<u>(395,167,555)</u>
<b>FY 2017 - 2021 Ending Capital Program Balance</b>	<b>\$ 781,833,792</b>
Proposed FY 2018 - 2022 New Capital Projects/Allowances/Adjustments	\$ <u>426,020,141</u> *
<b>Proposed FY 2018 - 2022 Capital Program Budget</b>	<b>\$ <u>1,207,853,933</u></b>

\* Pending Board approval

# Proposed FY 2018 – FY 2022 New Capital Projects

Project	Budget	Funding Source	Community	Customer	Employee	Financial	Operations
<b>Airside</b>							
Airline Provisioning & Belly Cargo	32.2	Bonds		●		●	●
Airline Maintenance Facility	31.0	Bonds		●		●	●
Fuel Rack Relocation & Hydrant Fueling FIS Gates	51.4	Bonds		●			●
Solid Waste Disposal and Recycling Facility	10.4	Bonds		●			●
Triturator and Vehicle Wash Facility	7.7	Bonds		●			●
Airfield Stormwater Treatment Control BMPs	5.9	Cash		●			●
FAR Part 150 Study Update	1.8	Cash	●	●			●
Rehabilitate Cross Taxiways C1, C2, C5 & D	12.1	AIP / Cash		●			●
Airside Electric Vehicle Supply Equipment	4.7	Other		●		●	●
Northside RON Parking – Phase I	40.4	Bonds		●		●	●
Northside RON Parking – Phase II	23.3	Bonds		●		●	●
Stormwater/Condensate Reuse	50.2	Bonds	●	●		●	

# Proposed FY 2018 – FY 2022 New Capital Projects (cont'd)

Project	Budget	Funding Source	Community	Customer	Employee	Financial	Operations
<b>Terminal</b>							
Replace Baggage Screening Equipment	10.0	Other / Cash		●			●
Airline Relocations at T1W and T2E	25.0	Cash		●		●	●
Terminal 2 Post Security Information Desk	0.6	Cash		●			●
<b>Administrative</b>							
Identity Management System	0.9	Cash				●	●
Battery Energy Storage	0.7	Cash				●	●
Facilities Maintenance Department Shops, Storage and Offices	33.3	Bonds				●	●
<b>Landside</b>							
Landside Electric Vehicle Supply Equipment	2.7	Other		●		●	●
Northside Utility Infrastructure	24.3	Bonds		●			●
Bus Parking, Propane/CNG Rack, Ground Transportation Ops	30.7	Bonds		●		●	●
Northside Airport Parking	13.8	Bonds				●	●
Cell Phone Lot Relocation	1.5	Bonds				●	●
<b>Total - New CIP Projects</b>	<b>414.6</b>						
<b>Adjustments</b>	<b>11.4</b>						
<b>Total New CIP Projects &amp; Adjustments</b>	<b>426.0</b>						



# Plan of Finance Fiscal Years 2018 – 2022

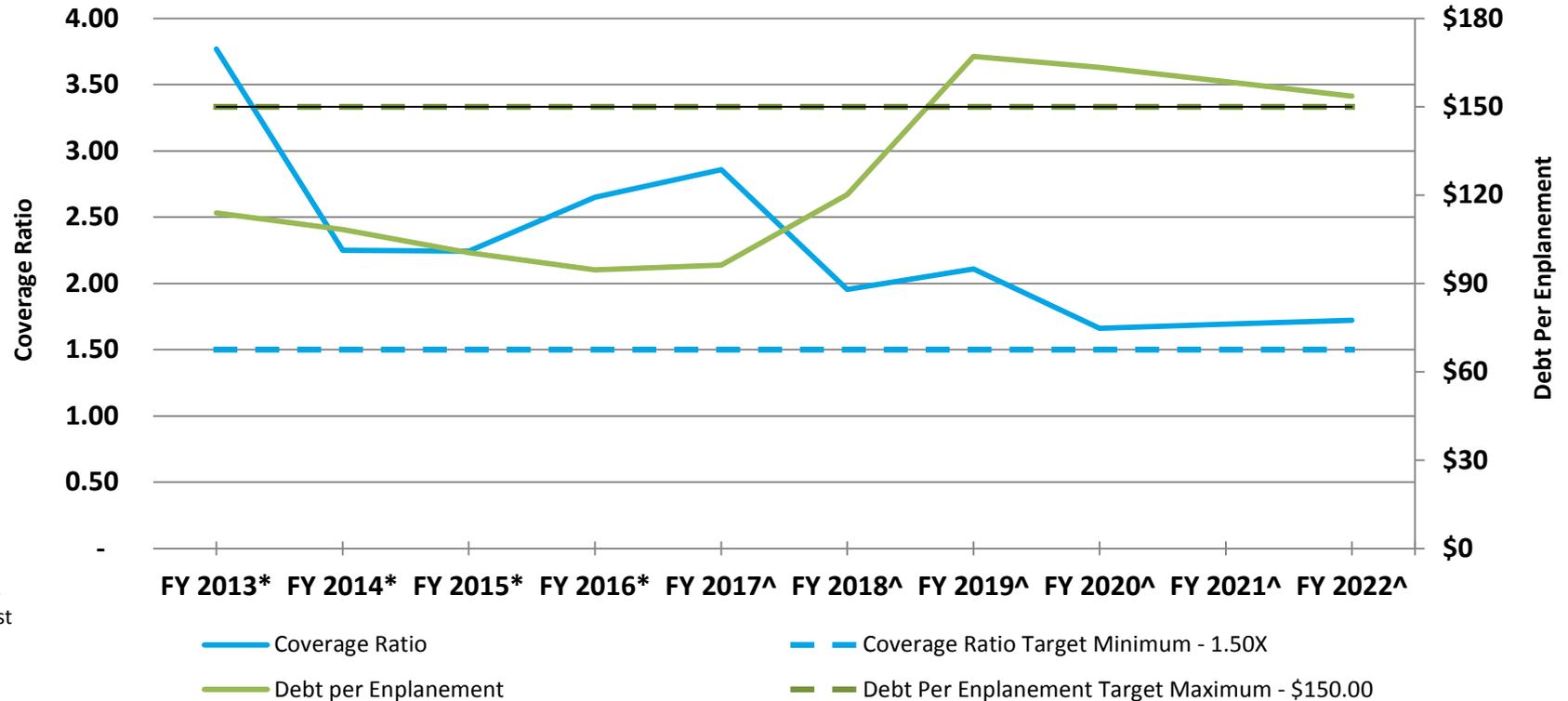
# Uses and Sources of Funds

(in thousands)

<b>Total Use of Funds</b>							
	<b>Pre FY2018</b>	<b>FY2018</b>	<b>FY2019</b>	<b>FY2020</b>	<b>FY2021</b>	<b>FY2022</b>	<b>Total</b>
Capital Program	\$175,675	\$452,342	\$435,680	\$59,333	\$19,837	\$64,987	\$1,207,854
Finance Costs	2,225	26,623	57,731	-	-	-	\$86,579
<b>Total</b>	<b>\$177,900</b>	<b>\$478,965</b>	<b>\$493,411</b>	<b>\$59,333</b>	<b>\$19,837</b>	<b>\$64,987</b>	<b>\$1,294,433</b>

<b>Total Sources of Funds</b>							
	<b>Pre FY2018</b>	<b>FY2018</b>	<b>FY2019</b>	<b>FY2020</b>	<b>FY2021</b>	<b>FY2022</b>	<b>Total</b>
Airport Revenue Bonds	\$56,090	\$303,328	\$374,167	\$29,772	\$8,633	-	\$771,991
Airport Cash	78,644	94,856	73,478	20,544	8,453	34,387	310,363
Passenger Facility Charges	11,199	49,660	13,676	6,414	50	7,450	88,449
Federal Grants	750	11,700	13,296	2,604	2,700	23,150	54,200
Customer Facility Charges	12,063	15,421	15,350	-	-	-	42,834
Special Facility Bonds	19,152	-	-	-	-	-	19,152
Other	-	4,000	3,443	-	-	-	7,443
<b>TOTAL SOURCES OF FUNDS</b>	<b>\$177,900</b>	<b>\$478,965</b>	<b>\$493,411</b>	<b>\$59,333</b>	<b>\$19,837</b>	<b>\$64,987</b>	<b>\$1,294,433</b>

# Coverage Ratio and Debt Per Enplanement<sup>1</sup>



<sup>1</sup> Airport revenue bonds and variable debt



# Conclusion



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INTERNATIONAL AIRPORT.

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# Conclusion

- Follows the Authority's legislative and regulatory mandates
- Provides necessary resources to accomplish the Authority's Strategic Plan
- Enhances the financial position of the Authority through revenue enhancement and cost containment
- Demonstrates the discipline necessary to remain a sustainable enterprise
- Supports regional transportation partnerships and community outreach
- Maintains competitive rates for airline tenants and airport users
- Supports continued efforts to create sustainable 5 year Capital Plan and addresses facility maintenance needs



# Questions?

# SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

## STAFF REPORT

Meeting Date: **JUNE 1, 2017**

---

### Subject:

**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**

### Recommendation:

For information only.

### Background/Justification:

Authority Policy 3.30 (2)(b) and (4)(b) require that business expenses reimbursements of Board Members, the President/CEO, the Chief Auditor and the General Counsel be approved by the Executive Committee and presented to the Board for its information at its next regularly scheduled meeting. Authority Policy 3.40 (2)(b) and (3)(b) require that travel expense reimbursements of Board Members, the President/CEO, the Chief Auditor and the General Counsel be approved by the Executive Committee and presented to the Board for its information at its next regularly scheduled meeting.

The attached reports are being presented to comply with the requirements of policies 3.30 and 3.40

### Fiscal Impact:

Funds for Business and Travel Expenses are included in the FY 2016-2017 Budget.

### Authority Strategies:

This item supports one or more of the Authority Strategies, as follows:

- Community Strategy     Customer Strategy     Employee Strategy     Financial Strategy     Operations Strategy

**Environmental Review:**

- A. This Board action is not a project that would have a significant effect on the environment as defined by the California Environmental Quality Act (CEQA), as amended. 14 Cal. Code Regs. §15378. This Board action is not a “project” subject to CEQA. Cal. Pub. Res. Code §21065.
- B. California Coastal Act Review: This Board action is not a "development" as defined by the California Coastal Act. Cal. Pub. Res. Code §30106.

**Application of Inclusionary Policies:**

Not applicable.

**Prepared by:**

TONY R. RUSSELL  
DIRECTOR, CORPORATE & INFORMATION GOVERNANCE/AUTHORITY CLERK

# **TRAVEL REQUEST**

**KIMBERLY J BECKER**

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY**  
**OUT-OF-TOWN TRAVEL REQUEST**

**GENERAL INSTRUCTIONS:**

- A. All travel requests must conform to applicable provisions of Policies 3.30 and 3.40.
- B. Personnel traveling at Authority expense shall, consistent with the provisions of Policies 3.30 and 3.40, use the most economical means available to affect the travel.

**1. TRAVELER:**

Travelers Name: Kimberly J. Becker Dept: 6  
Position:  Board Member  President/CEO  Gen. Counsel  Chief Auditor  
 All other Authority employees (does not require executive committee administrator approval)

2. DATE OF REQUEST: 5/08/17 PLANNED DATE OF DEPARTURE/RETURN: 9/16/17 / 9/21/17

3. DESTINATIONS/PURPOSE (Provide detailed explanation as to the purpose of the trip— continue on extra sheets of paper as necessary):  
Destination: Ft. Worth, TX Purpose: Attend ACI-NA Annual Conference  
Explanation:

**4. PROJECTED OUT-OF-TOWN TRAVEL EXPENSES**

<b>A. TRANSPORTATION COSTS:</b>	
• AIRFARE	\$ 700.00
• OTHER TRANSPORTATION (Taxi, Train, Car Rental)	\$ 100.00
<b>B. LODGING</b>	<b>\$ 1400.00</b>
<b>C. MEALS</b>	<b>\$ 300.00</b>
<b>D. SEMINAR AND CONFERENCE FEES</b>	<b>\$ 795.00</b>
<b>E. ENTERTAINMENT (If applicable)</b>	<b>\$</b>
<b>F. OTHER INCIDENTAL EXPENSES</b>	<b>\$ 50.00</b>
<b>TOTAL PROJECTED TRAVEL EXPENSE</b>	<b>\$ 3346.00</b>

**CERTIFICATION BY TRAVELER** By my signature below, I certify that the above listed out-of-town travel and associated expenses conform to the Authority's Policies 3.30 and 3.40 and are reasonable and directly related to the Authority's business.

Travelers Signature: Kimberly J. Becker Date: 5/8/17

**CERTIFICATION BY ADMINISTRATOR** (Where Administrator is the Executive Committee, the Authority Clerk's signature is required).

- By my signature below, I certify the following:
- 1. I have conscientiously reviewed the above out-of-town travel request and the details provided on the reverse.
  - 2. The concerned out-of-town travel and all identified expenses are necessary for the advancement of the Authority's business and reasonable in comparison to the anticipated benefit to the Authority.
  - 3. The concerned out-of-town travel and all identified expenses conform to the requirements and intent of Authority's Policies 3.30 and 3.40.

Administrator's Signature: \_\_\_\_\_ Date: \_\_\_\_\_

**AUTHORITY CLERK CERTIFICATION ON BEHALF OF EXECUTIVE COMMITTEE**

I, \_\_\_\_\_, hereby certify that this document was approved  
*(Please leave blank. Whoever clerk's the meeting will insert their name and title.)*  
by the Executive Committee at its \_\_\_\_\_ meeting.  
*(Leave blank and we will insert the meeting date.)*

**APRIL BOLING**

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY  
OUT-OF-TOWN TRAVEL REQUEST**

**GENERAL INSTRUCTIONS:**

- A. All travel requests must conform to applicable provisions of Policies 3.30 and 3.40.
- B. Personnel traveling at Authority expense shall, consistent with the provisions of Policies 3.30 and 3.40, use the most economical means available to affect the travel.

**1. TRAVELER:**

Travelers Name: April Boling Dept: 2

Position:  Board Member     President/CEO     Gen. Counsel     Chief Auditor

All other Authority employees (does not require executive committee administrator approval)

**2. DATE OF REQUEST:** 2/28/17    **PLANNED DATE OF DEPARTURE/RETURN:** 4/23/17 / 4/26/17

**3. DESTINATIONS/PURPOSE (Provide detailed explanation as to the purpose of the trip-- continue on extra sheets of paper as necessary):**

Destination: Palm Desert, CA

Purpose: Attend 2017 ACI-NA Business of Airports Conference

Explanation:

**4. PROJECTED OUT-OF-TOWN TRAVEL EXPENSES**

**A. TRANSPORTATION COSTS:**

- AIRFARE \$           .00
- OTHER TRANSPORTATION (Taxi, Train, Car Rental) \$       150.00

**B. LODGING** \$       1,200.00

**C. MEALS** \$       100.00

**D. SEMINAR AND CONFERENCE FEES** \$       1,040.00

**E. ENTERTAINMENT (If applicable)** \$                   

**F. OTHER INCIDENTAL EXPENSES** \$       50.00

**TOTAL PROJECTED TRAVEL EXPENSE** \$       2,540.00

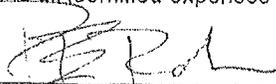
**CERTIFICATION BY TRAVELER** By my signature below, I certify that the above listed out-of-town travel and associated expenses conform to the Authority's Policies 3.30 and 3.40 and are reasonable and directly related to the Authority's business.

Travelers Signature:  Date: 3/1/17

**CERTIFICATION BY ADMINISTRATOR** (Where Administrator is the Executive Committee, the Authority Clerk's signature is required).

By my signature below, I certify the following:

1. I have conscientiously reviewed the above out-of-town travel request and the details provided on the reverse.
2. The concerned out-of-town travel and all identified expenses are necessary for the advancement of the Authority's business and reasonable in comparison to the anticipated benefit to the Authority.
3. The concerned out-of-town travel and all identified expenses conform to the requirements and intent of Authority's Policies 3.30 and 3.40.

Administrator's Signature:  Date: 3/2/17

**AUTHORITY CLERK CERTIFICATION ON BEHALF OF EXECUTIVE COMMITTEE**

I, \_\_\_\_\_, hereby certify that this document was approved  
(Please leave blank. Whoever clerk's the meeting will insert their name and title.)

by the Executive Committee at its \_\_\_\_\_ meeting,  
(Leave blank and we will insert the meeting date.)

# **TRAVEL EXPENSE**

**KIMBERLY J BECKER**

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY**

**TRAVEL EXPENSE REPORT**

*(To be completed within 30 days from travel return date)*

TRAVELER: Kimberly J. Becker DEPT. NAME & NO. Executive Office/BU 6  
 DEPARTURE DATE: 5/7/2017 RETURN DATE: 5/8/2017 REPORT DUE: 6/7/17  
 DESTINATION: Long Beach, CA - AAEE Top 100 CEO Leadership Focus Forum

*Please refer to the Authority Travel and Lodging Expense Reimbursement Policy, Article 3, Part 3.4, Section 3.40, outlining appropriate reimbursable expenses and approvals. Please attach all required supporting documentation. All receipts must be detailed, (credit card receipts do not provide sufficient detail). Any special items should be explained in the space provided below.*

	Authority Expenses (Prepaid by Authority)	Employee Expenses							TOTALS
		SUNDAY 5/7/17	MONDAY 5/8/17	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY	
Air Fare, Railroad, Bus (attach copy of itinerary w/charges)									0.00
Conference Fees (provide copy of flyer/registration expenses)									0.00
Rental Car*									0.00
Gas and Oil*									0.00
Garage/Parking*		27.00							27.00
Mileage - attach mileage form*		57.25	57.24						114.49
Taxi and/or Shuttle Fare (include tips pd.)*									0.00
Hotel*		263.74							263.74
Telephone, Internet and Fax*									0.00
Laundry*									0.00
Tips - separately paid (maids, bellhop, other hotel svcs.)									0.00
Meals (include tips pd.)									0.00
Breakfast*									0.00
Lunch*									0.00
Dinner*									0.00
Other Meals*									0.00
<i>Alcohol is a non-reimbursable expense</i>									
Hospitality <sup>1</sup> *									0.00
Miscellaneous:									0.00
									0.00
									0.00
*Provide detailed receipts									0.00
<b>Total Expenses Prepaid by Authority</b>	<b>0.00</b>	<b>347.99</b>	<b>57.24</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>405.23</b>

Explanation:	Total Expenses Prepaid by Authority	0.00
	Total Expenses Incurred by Employee (including cash advances)	405.23
	<b>Grand Trip Total</b>	<b>405.23</b>
	Less Cash Advance (attach copy of Authority ck)	
	Less Expenses Prepaid by Authority	0.00
	<b>Due Traveler (positive amount)<sup>2</sup></b>	
	<b>Due Authority (negative amount)<sup>3</sup></b>	<b>405.23</b>
<i>Note: Send this report to Accounting even if the amount is \$0.</i>		

<sup>1</sup> Give names and business affiliations of any persons whose meals were paid by traveler.  
<sup>2</sup> Prepare Check Request  
<sup>3</sup> Attach personal check payable to SDCRAA

I as traveler or administrator acknowledge that I have read, understand and agree to Authority policies 3.40 - Travel and Lodging Expense Reimbursement Policy<sup>4</sup> and 3.30 - Business Expense Reimbursement Policy<sup>5</sup> and that any purchases/claims that are not allowed will be my responsibility. I further certify that this report of travel expenses were incurred in connection with official Authority business and is true and correct.  
<sup>4</sup> Travel and Lodging Expense Reimbursement Policy 3.40      <sup>5</sup> Business Expense Reimbursement Policy 3.30

Prepared By: Kim Ayers Ext.: 2445  
 Traveler Signature: Kimberly J. Becker Date: 5/8/17  
 Approved By: \_\_\_\_\_ Date: \_\_\_\_\_

**AUTHORITY CLERK CERTIFICATION ON BEHALF OF EXECUTIVE COMMITTEE** (To be certified if used by President/CEO, Gen. Counsel, or Chief Auditor)

I, \_\_\_\_\_ hereby certify that this document was approved by the Executive Committee at its \_\_\_\_\_ meeting.  
 (Please leave blank. Whoever clerk's the meeting will insert their name and title.)  
 (Leave blank and we will insert the meeting date.)

Failure to attach required documentation will result in the delay of processing reimbursement. If you have any questions, please see your department Administrative Assistant or call Accounting at ext. 2806.

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY  
OUT-OF-TOWN TRAVEL REQUEST**

**GENERAL INSTRUCTIONS:**

- A. All travel requests must conform to applicable provisions of Policies 3.30 and 3.40.
- B. Personnel traveling at Authority expense shall, consistent with the provisions of Policies 3.30 and 3.40, use the most economical means available to affect the travel.

**1. TRAVELER:**

Travelers Name: Kimberly J. Becker Dept: 6  
Position:  Board Member  President/CEO  Gen. Counsel  Chief Auditor  
 All other Authority employees (does not require executive committee administrator approval)

2. DATE OF REQUEST: 4/3/17 PLANNED DATE OF DEPARTURE/RETURN: 5/8/17 / 5/8/17

**3. DESTINATIONS/PURPOSE (Provide detailed explanation as to the purpose of the trip— continue on extra sheets of paper as necessary):**

Destination: Long Beach, CA Purpose: Attend AAE Top 100 CEO Focus Summit at the AAE Annual Conference

Explanation: \_\_\_\_\_

**4. PROJECTED OUT-OF-TOWN TRAVEL EXPENSES**

**A. TRANSPORTATION COSTS:**

- AIRFARE \$ \_\_\_\_\_
- OTHER TRANSPORTATION (Taxi, Train, Car Rental) \$ 120.00

B. LODGING \$ 265.00

C. MEALS \$ 50.00

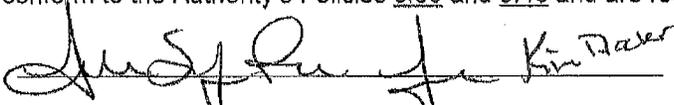
D. SEMINAR AND CONFERENCE FEES \$ \_\_\_\_\_

E. ENTERTAINMENT (If applicable) \$ \_\_\_\_\_

F. OTHER INCIDENTAL EXPENSES \$ 50.00

**TOTAL PROJECTED TRAVEL EXPENSE** \$ 485.00

**CERTIFICATION BY TRAVELER** By my signature below, I certify that the above listed out-of-town travel and associated expenses conform to the Authority's Policies 3.30 and 3.40 and are reasonable and directly related to the Authority's business.

Travelers Signature:  Date: 4.3.17

**CERTIFICATION BY ADMINISTRATOR** (Where Administrator is the Executive Committee, the Authority Clerk's signature is required).

- By my signature below, I certify the following:
1. I have conscientiously reviewed the above out-of-town travel request and the details provided on the reverse.
  2. The concerned out-of-town travel and all identified expenses are necessary for the advancement of the Authority's business and reasonable in comparison to the anticipated benefit to the Authority.
  3. The concerned out-of-town travel and all identified expenses conform to the requirements and intent of Authority's Policies 3.30 and 3.40.

Administrator's Signature: \_\_\_\_\_ Date: \_\_\_\_\_

**AUTHORITY CLERK CERTIFICATION ON BEHALF OF EXECUTIVE COMMITTEE**

I, Tony R. Russell, Authority Clerk, hereby certify that this document was approved  
(Please leave blank. Whoever clerk's the meeting will insert their name and title.)  
by the Executive Committee at its 4-24-17 meeting.  
(Leave blank and we will insert the meeting date.)

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY**

**2017**

**MONTHLY MILEAGE and PARKING FEE REIMBURSEMENT REPORT**

EMPLOYEE NAME Kimberly J. Becker			PERIOD COVERED 6/7-6/8/2017	
DEPARTMENT/DIVISION Executive Office/BU 6				
Date	Miles driven	Destination and purpose of trip	Parking fees & other transportation costs paid	\$\$\$
5/7/17	107.00	SAN-Long Beach - AAE		
5/8/17	107.00	Long Beach-SAN		
<b>SUBTOTAL</b>			<b>SUBTOTAL</b>	<b>214.00</b>

**Computation of Reimbursement**

REIMBURSEMENT RATE: (see below) *	Rate as of January 2017	X	214.00
TOTAL MILEAGE REIMBURSEMENT			114.49
PARKING FEES/TOLL CHARGES (ATTACH RECEIPTS)			-
TOTAL REIMBURSEMENT REQUESTED			\$ 114.49

<p>I acknowledge that I have read, understand and agree to *Authority Policy 3.30 - Business Expense Reimbursement Policy and that any purchases/claims that are not allowed will be my responsibility. I further certify that this report of business expenses were incurred in connection with official Authority business and is true and correct.</p> <p><u>Business Expense Reimbursement Policy 3.30</u></p> <p align="center"></p> <p align="center">SIGNATURE OF EMPLOYEE</p>	<p align="center">DEPT./DIV. HEAD APPROVAL</p>
--	--



3225 North Harbor Drive, San Diego, CA Drive 107 miles, 1 h 54 min to 300 E Ocean Blvd, Long Beach, CA 90802

3225 N Harbor Dr  
San Diego, CA 92101

**Get on I-5 N from N Harbor Dr, W Laurel St and India St**

- .....10 min (3.0 mi)
- ↑ 1. Head west  
.....33 ft
- ↶ 2. Turn left toward Airport Terminal Rd  
.....262 ft
- ↷ 3. Turn right toward Airport Terminal Rd  
.....0.1 mi
- ↶ 4. Turn left onto Airport Terminal Rd  
.....358 ft
- ↷ 5. Slight left to stay on Airport Terminal Rd  
.....0.1 mi
- ↑ 6. Continue straight  
.....358 ft
- ↶ 7. Turn left onto N Harbor Dr  
.....1.1 mi
- ↶ 8. Use the left 2 lanes to turn left onto W Laurel St  
.....0.4 mi
- ↶ 9. Use the left 2 lanes to turn left onto India St  
.....0.8 mi
- ⤴ 10. Use the left 2 lanes to take the ramp onto I-5 N  
.....0.3 mi

**Continue on I-5 N to Seal Beach**

- .....1 h 24 min (96.8 mi)
- ⤴ 11. Merge onto I-5 N  
.....66.4 mi
- ↷ 12. Use the right 3 lanes to take exit 85A for CA-73 N toward Long Beach  
⚠ Toll road  
.....0.7 mi
- ↑ 13. Continue onto CA-73 N  
⚠ Partial toll road  
.....16.9 mi
- ↶ 14. Use the left 3 lanes to take exit 18A to merge onto I-405 N toward Long Beach  
.....12.8 mi

**Continue on E 7th St. Drive to E Seaside Way in Long Beach**

- ..... 19 min (6.9 mi)
-  15. Keep right at the fork to continue on CA-22 W/E 7th St, follow signs for Long Beach  
..... 2.5 mi
-  16. Continue straight onto E 7th St  
..... 8.3 mi
-  17. Turn left onto Alamitos Ave  
..... 0.6 mi
-  18. Turn right onto E Ocean Blvd  
..... 0.2 mi
-  19. Turn left onto S Linden Ave  
..... 331 ft
-  20. Turn right onto E Seaside Way  
     Destination will be on the left  
..... 0.2 mi

**300 E Ocean Blvd**

Long Beach, CA 90802

These directions are for planning purposes only. You may find that construction projects, traffic, weather, or other events may cause conditions to differ from the map results, and you should plan your route accordingly. You must obey all signs or notices regarding your route.



Hyatt Regency Long Beach  
 200 South Pine Avenue  
 Long Beach, CA 90802  
 Tel: 562.491.1234  
 Fax: 562.432.1972

INVOICE

Payee Kim Becker  
 [Redacted]  
 [Redacted]  
 [Redacted]

Room No. 1401  
 Arrival 05-07-17  
 Departure 05-08-17  
 Page No. 1 of 1  
 Follo Window 1  
 Follo No. 866937

Confirmation No. 4041076901  
 Group Name 89th Annual AAAE Conference & Expo  
 Booking No. 32JR2M5N

Date	Description	Charges	Credits
05-07-17	Package	229.00	
05-07-17	Occupancy Tax 12.0%	27.48	
05-07-17	LB Tourism Assessment 3.0%	6.87	
05-07-17	CA Tourism Assessment	0.39	
05-08-17	Visa XXXXXXXXXXXXXXXX [Redacted] XX/XX		263.74
05-08-17	Parking - Self 1 night parking	27.00	
05-08-17	Visa XXXXXXXXXXXXXXXX [Redacted] XX/XX		27.00
<b>Total</b>		<b>290.74</b>	<b>290.74</b>

Guest Signature

**Balance** 0.00

I agree that my liability for this bill is not waived and I agree to be held personally liable in the event that the indicated person, company or association fails to pay for any part or the full amount of these charges.

**WE HOPE YOU ENJOYED YOUR STAY WITH US!**

We trust you enjoyed your stay at the Hyatt Regency Long Beach. Please let us know your thoughts at: [qualitylgbrl@hyatt.com](mailto:qualitylgbrl@hyatt.com).

**World of Hyatt Summary**

Membership: [Redacted]  
 Bonus Codes:  
 Qualifying Nights: 1  
 Eligible Spend: 229.00  
 Redemption Eligible: 27.00

We thank you for your business and we appreciate your loyalty.  
 For questions on your World of Hyattaccount, call 800-30-HYATT.  
 For Inquiries concerning your bill please call 888-588-4384

Summary Invoice, please see front desk for eligibility details.

Please remit payment to:  
 Hyatt Regency Long Beach  
 P.O. Box 842160  
 Dallas, TX 75284

# TOP 100 CEO

FOCUS  
AAAE

# Agenda

## SUNDAY, MAY 7

12 – 1 p.m.  
Room 104C

Luncheon

1 – 1:15 p.m.  
Room 104AB

**Welcome and Introductions**  
Todd Hauptli, President and CEO, AAAE

1:15 – 2:30 p.m.

**Leadership Lecture: "Lessons Learned" with Thella Bowens**



Former President/CEO of the San Diego County Regional Airport Authority, Thella Bowens, will discuss the challenges she has faced in her career, the leadership lessons she has learned along the way and the advice she has for you and the other CEOs. We intend to have a facilitated discussion to make the conversation entertaining, informative and thought-provoking.

2:30 – 3 p.m.  
Room 104AB

**Networking Break**

3 – 4:15 p.m.

**Bob Montgomery, Vice President Airport Affairs at Southwest Airlines**



A fixture at Southwest since 1977, Bob is well-known and well-liked in the aviation industry. We'll have a free-wheeling conversation with Bob on the topics of the day – air service, ATC reform, infrastructure financing and who knows what else!

4:15 – 5 p.m.  
Room 104AB

**Networking Break**

5 – 6:30 p.m.  
Exhibit Hall AB

**Exhibit Hall Grand Opening and Corporate Appreciation Reception**

## MONDAY, MAY 8

7:30 – 8 a.m.

**Continental Breakfast**

*The Top 100 Airport CEO Leadership Focus is sponsored by:*



Room 104AB

8 – 9:15 a.m.  
Room 104AB

**Amy Wilkinson, CEO and Founder of Ingenuity, Lecturer at Stanford Graduate School of Business Faculty and Author of "Creator's Code"**



Amy will lead a session on her work in researching and interviewing some of the most successful entrepreneurs and business leaders in the country and how we can apply many of the leadership characteristics that make them so successful in our daily operations at the top airports across the country.

9:15 – 9:30 a.m.

**Airport CEO Leadership Focus Wrap-Up**

9:45 – 10:05 a.m.  
Room 203C

**Meet and Greet with Patrick Lencioni, Best Selling Business Author, Internationally Recognized Speaker and Thought-Leader**



Patrick has written 10 books, which have sold over 5 million copies and have been translated into more than 30 languages. Come say hello before his keynote address. You'll be impressed...

10:15 – 11 a.m.  
Grand Ballroom

**89<sup>th</sup> Annual AAAE Conference & Exposition  
Official Conference Opening Ceremonies**

11 a.m. – 12 p.m.  
Grand Ballroom

**General Session I:  
Keynote Speaker - Patrick Lencioni**

*The Top 100 Airport CEO Leadership Focus is sponsored by:*



**APRIL BOLING**

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY**  
**TRAVEL EXPENSE REPORT - Board Members**  
*(To be completed within 30 days from travel return date)*

Board member name: C. April Boling  
 Departure Date: 4/23/2017 Return Date: 4/26/2017 Report Due: 5/26/17  
 Destination: Palm Desert, CA - 2017 ACI-NA Business of Airports Conference

Please refer to the Authority Travel and Lodging Expense Reimbursement Policy, Article 3, Part 3.4, Section 3.40, outlining appropriate reimbursable expenses and approvals. Please attach all required supporting documentation. All receipts must be detailed, (credit card receipts do not provide sufficient detail). Any special items should be explained in the space provided below.

Business Expense Reimbursement Policy 3.30 1 Travel and Lodging Expense Reimbursement Policy 3.40

	Authority Expenses (Prepaid by Authy)	Board Member Expenses							TOTALS	
		SUNDAY 4/23/17	MONDAY 4/24/17	TUESDAY 4/25/17	WEDNESDAY 4/26/17	THURSDAY	FRIDAY	SATURDAY		
<b>Daily Per Diem Limitations:</b>										
**GSA Daily Hotel Rate or Conference Hotel Rate		240.00	240.00	240.00						
**GSA Daily Meals, Entertainment & Incidentals (M,E&I)		64.00	64.00	64.00						
Air Fare, Railroad, Bus (attach copy of itinerary w/charges)										0.00
Conference Fees (provide copy of flyer/registration expenses)	1,040.00									0.00
Rental Car										0.00
Gas and Oil										0.00
Garage/Parking										0.00
Mileage - attach mileage form										0.00
Taxi/Shuttle Fare (include tips pd.) To/From meetings, airport, etc.										0.00
Hotel - Actual Expense Paid - Excluding Taxes		197.00	197.00	197.00						
Allowable Hotel (Lessor of Actual or GSA Allowance)		197.00	197.00	197.00	0.00	0.00	0.00	0.00		591.00
Hotel Taxes Paid										0.00
Telephone, Internet and Fax										0.00
Laundry										0.00
<b>Meals, Entertainment &amp; Incidentals (M,E&amp;I):</b>										
Meals (include tips pd.)										
Breakfast										
Lunch										
Dinner			30.01	51.50						
Other Meals										
Entertainment (Hospitality)										
Tips Paid to Maids, Bellhops and other hotel servers										
Taxi/Shuttle Fare (include tips pd.) To/From meal destinations										
<b>Total Meals, Entertainment &amp; Incidentals</b>		0.00	30.01	51.50	0.00	0.00	0.00	0.00		
GSA Allowance for M,E&I (from above)		64.00	64.00	64.00	0.00	0.00	0.00	0.00		
Allowable M,E&I (Lessor of Actual or GSA Allowance)		0.00	30.01	51.50	0.00	0.00	0.00	0.00		81.51
Alcohol is a non-reimbursable expense										0.00
Miscellaneous: Baggage Fee										0.00
										0.00
										0.00
<b>Total Expenses</b>	1,040.00	698.00	1,170.61	248.50	0.00	0.00	0.00	0.00	0.00	672.51
<b>Grand Trip Total</b>										1,712.51
Less Cash Advance (attach copy of Authority ck)										
Less Expenses Prepaid by Authority										1,040.00
Due Traveler - if positive amount, prepare check request										
Due Authority - If negative, attach check payable to SDCRAA										672.51
<i>Note: Send this report to Accounting even if the amount is \$0.</i>										

I as traveler or administrator acknowledge that I have read, understand and agree to Authority policies 3.40 - Travel and Lodging Expense Reimbursement Policy<sup>1</sup> and 3.30 - Business Expense Reimbursement Policy<sup>2</sup> and that any purchases/claims that are not allowed will be my responsibility. I further certify that this report of travel expenses were incurred in connection with official Authority business and is true and correct.

Prepared By: Linda Gehiken Ext.: 2557  
 Traveler Signature: [Signature] Date: 5/15/17  
 Administrator's signature: \_\_\_\_\_ Date: \_\_\_\_\_

**AUTHORITY CLERK CERTIFICATION ON BEHALF OF EXECUTIVE COMMITTEE (To be completed by Clerk)**

I, \_\_\_\_\_ hereby certify that this document was approved by the Executive Committee at it's meeting on \_\_\_\_\_.

Clerk Signature: \_\_\_\_\_ Date: \_\_\_\_\_

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY  
OUT-OF-TOWN TRAVEL REQUEST

**GENERAL INSTRUCTIONS:**

- A. All travel requests must conform to applicable provisions of Policies 3.30 and 3.40.
- B. Personnel traveling at Authority expense shall, consistent with the provisions of Policies 3.30 and 3.40, use the most economical means available to affect the travel.

**1. TRAVELER:**

Travelers Name: April Boling Dept: 2

Position:  Board Member  President/CEO  Gen. Counsel  Chief Auditor

All other Authority employees (does not require executive committee administrator approval)

**2. DATE OF REQUEST:** 2/28/17 **PLANNED DATE OF DEPARTURE/RETURN:** 4/23/17 / 4/26/17

**3. DESTINATIONS/PURPOSE** (Provide detailed explanation as to the purpose of the trip-- continue on extra sheets of paper as necessary):

Destination: Palm Desert, CA

Purpose: Attend 2017 ACI-NA Business of Airports Conference

Explanation: \_\_\_\_\_

**4. PROJECTED OUT-OF-TOWN TRAVEL EXPENSES**

**A. TRANSPORTATION COSTS:**

- AIRFARE \$           .00
- OTHER TRANSPORTATION (Taxi, Train, Car Rental) \$       150.00

**B. LODGING** \$       1,200.00

**C. MEALS** \$       100.00

**D. SEMINAR AND CONFERENCE FEES** \$       1,040.00

**E. ENTERTAINMENT (If applicable)** \$                   

**F. OTHER INCIDENTAL EXPENSES** \$       50.00

**TOTAL PROJECTED TRAVEL EXPENSE** \$       2,540.00

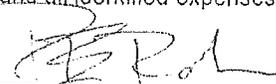
**CERTIFICATION BY TRAVELER** By my signature below, I certify that the above listed out-of-town travel and associated expenses conform to the Authority's Policies 3.30 and 3.40 and are reasonable and directly related to the Authority's business.

Travelers Signature:  Date: 3/1/17

**CERTIFICATION BY ADMINISTRATOR** (Where Administrator is the Executive Committee, the Authority Clerk's signature is required).

By my signature below, I certify the following:

1. I have conscientiously reviewed the above out-of-town travel request and the details provided on the reverse.
2. The concerned out-of-town travel and all identified expenses are necessary for the advancement of the Authority's business and reasonable in comparison to the anticipated benefit to the Authority.
3. The concerned out-of-town travel and all identified expenses conform to the requirements and intent of Authority's Policies 3.30 and 3.40.

Administrator's Signature:  Date: 3/2/17

**AUTHORITY CLERK CERTIFICATION ON BEHALF OF EXECUTIVE COMMITTEE**

I, \_\_\_\_\_, hereby certify that this document was approved  
*(Please leave blank. Whoever clerk's the meeting will insert their name and title.)*

by the Executive Committee at its \_\_\_\_\_ meeting.  
*(Leave blank and we will insert the meeting date.)*

Gehlken Linda

---

**From:** meetings@aci-na.org  
**Sent:** Wednesday, March 08, 2017 3:58 PM  
**To:** Gehlken Linda  
**Subject:** Your Purchase Information

Dear Mrs. Linda D. Gehlken,

Thank you for registering.

**Purchase Information**

Date of Purchase: **Mar 8 2017 6:57PM**  
**Mrs. Linda D. Gehlken**  
Purchase Number: **11230**  
Payment method: **Credit card**  
Card Type: **VISA**  
Credit Card Number: \*\*\*\*\* [REDACTED] *(Private)*  
Order Number: **89188.00**  
Transaction Numbers:

**Detail**

Code	Type	Description	Quantity	Unit Price	Total
17450/REG2	MEETING	Commercial Management "Concess	1	\$1040.00	\$1040.00
				Total:	\$1040.00
				Total	-\$1040.00
				Payments:	
				Balance:	\$0.00

**Registrant Detail**

Registrant ID	Registrant Name	Meeting	Confirmation Number
54132	Ms. April Bolling	2017 Business of Airports	89188



## 2017 ACI-NA Business of Airports Conference Agenda (Concessions Track)

April 24-26, 2017 • JW Marriott Desert Springs • Palm Springs, CA

### Monday, April 24, 2017

8:00am – 4:30pm      **Registration**

8:00am – 9:00am      **Networking Breakfast**

9:00am – 10:30am    **Commercial Management Committee Workshop**  
*(Open to all registered attendees)*

#### **Welcome and Opening Remarks**

**Speaker:** David Kellerman, Senior Manager of Concessions, Cincinnati/Northern Kentucky International Airport

#### **ACI-NA Annual Concessions Benchmarking Results Summary**

The findings of the 2016 Airport Concessions Benchmarking Survey will be presented. The survey results readily show that airports continue to creatively reinvent their concessions programs to improve the travel experience and explore new revenue streams.

**Speakers:** Deven Judd, Director, Concessions Leasing & Development, Metropolitan Washington Airports Authority  
Jo-Anne McLean, Director, Air Service and Terminal Business Development, Halifax Stanfield International Airport  
Laurie Noyes, Vice President of Airport Concessions, Tampa International Airport

#### **Present Your Airport's Upcoming Opportunities**

Join this session on upcoming opportunities for planned RFPs for concessions over the next year. This exciting new session will provide an excellent opportunity for everyone involved in airport concessions, and especially those new to the airport arena, to learn more about the industry and potential new opportunities.

Presentations from: Indianapolis Airport Authority, Minneapolis-Saint Paul International Airport, Salt Lake City International Airport, San Francisco International Airport, and Seattle-Tacoma International Airport

10:30am – 11:00am **Networking Break**

11:00am – 12:15pm **Joint Meeting with the Commercial Management Committee and Business Diversity Committee**

**Required Contract Provisions – AIP Grants and Obligated Sponsors**

In January 2016 FAA released "Required Contract Provisions- AIP Grants and Obligated Sponsors", covering the applicable provisions that airports must include in all contracts, regardless of funding sources. The provisions cover lease agreements as well as agreements with concessionaires and ground transportation providers. These obligations also extend to subcontracts. Additionally, there are training and monitoring requirements in order to be in compliance.

Speakers: Joe Manges, Attorney, Office of Chief Counsel, Federal Aviation Administration

12:15pm – 1:30pm **Joint Buffet Lunch**

1:30pm – 3:00pm **World Business Partners/Associate Members**

3:00pm – 5:00pm **Open Networking Time**

On-your-own networking time where airports, concession operators, and small business owners can meet and exchange contacts for future business relationships. Airports will be able to meet with potential tenants and/or service providers.

5:00pm – 6:30pm **Networking Lounge Grand Opening and Welcome Reception**

**Tuesday, April 25, 2017**

8:00am – 4:30pm **Registration**

8:00am – 9:15am **Breakfast in Networking Lounge**

9:15am – 9:30am **Welcome and Opening Remarks**

Thomas P. Nolan, Executive Director, Palm Springs International Airport  
William R. Vanecek, Chair, ACI-NA and Director of Aviation, Buffalo Niagara International Airport

9:30am – 10:45am **Keynote Speaker: Jim Knight, Business Culture Catalyst and Former Hard Rock International Executive & Author of Culture That Rocks!**

Learn from the acclaimed author of *Culture That Rocks!* how people-oriented businesses can achieve rock star status. Sharing lessons from his more than 30-year career in hospitality training, Jim Knight will provide thought-provoking and refreshingly candid advice on organizational culture, customer service, employee branding, building teams, and performance management.

10:45am – 11:15am **Networking Break**

11:15am – 12:30pm **Session 1A: Concessions Master Planning – Looking into the Crystal Ball**

This session will look at different considerations for airport operators when developing their concessions master plan. In today's environment merchants are responding to perceive purchase changes from millennials and the collection of passenger data. How are airports and concessionaires changing their business strategy? Planning for concessions needs to be integrated with the overall terminal planning, for example the interaction of hold rooms with concession programs.

Moderator: Andrew Weddig, Chief Development Officer, Hojeij Branded Foods

Speakers: Amanda Anthony, CEO & Founder, FlyInStyle  
Robert Chicas, Senior Vice President, Firm-wide Director, Aviation & Transportation, HOK  
George Fewster, Director of Business Development, Paradies Lagardère  
Rawley Vaughan, Director, Ricondo & Associates, Inc.

12:30pm – 2:00pm **Lunch in Networking Lounge**

2:00pm – 3:15pm **Session 2A: Airport Lounges – Upgrades and New Options**

Airport Lounges strive to deliver passenger satisfaction, comfort, and an enhanced travel experience. Today, lounges can be operated by airlines, airports, or third-parties. Many high-end lounges offer unique catering options, showers, spa services, private meeting rooms, and business facilitates. The pay per-use approach can subsequently generate non-aeronautical revenue to the airport, while at the same time providing an enhanced passenger experience. The challenge of opening a new airport lounge is the availability of space in the right location.

Moderator: Jaimini M. Erskine, Director, Office of Commercial Management, Baltimore/Washington International Thurgood Marshall Airport

Speakers: Liz Devaney, General Manager, Delta Sky Club Facilities, Delta Air Lines  
James Jennings, Senior Manager, Aviation Properties, Seattle-Tacoma International Airport  
Nancy Knipp, Senior Vice President, Airport Lounge Development  
Anthony Tangorra, Vice President, Commercial, Manchester Airport Group – USA

3:15pm – 3:45pm **Networking Break**

3:45pm – 5:00pm **Session 3A: Cost of Doing Business at Airports (Concessions Perspective)**

Join us to learn more from industry experts about the current challenges and opportunities of doing business in airports taking into consideration, among other elements: Size of company AND airport, Investment requirements, Non-monetary resources, the Approvals process, and ways to leverage your assets to improve your opportunity for success. Information from recent ACRP report *on Food and Beverage and Retail Operators: The Costs of Doing Business at Airports* will be shared as well.

Moderator: Rebecca Ramsey, Director, Concession Affairs, Metropolitan Nashville Airport Authority

Speakers: Michael Levine, Chief Executive Officer, Tastes on the Fly  
Firelli Pitters, Director, Unison Consulting, Inc.  
Kent Vanden Oever, Vice President, Business Development, HMSHost

## Wednesday, April 26, 2017

8:00am – 1:00pm **Registration**

8:00am – 8:45am **Breakfast in Networking Lounge**

8:45am – 10:00am **General Session: Roundtable with Airlines**

This session features representatives from airlines who will share their perspectives on many issues including industry growth projections, airport privatization and public/private partnerships, new trends in airport-airline agreements, airline input into airport capital programs and much more. And, of course, we'll look to airports in the audience for their questions and discussion with our airline panelists.

**Moderator:** Randy Bush, CFO, Columbus Regional Airport Authority  
Tatiana Starostina, Manager, Financial Planning, Oakland International Airport

**Speakers:** DJ Anderson, Director, Properties, American Airlines  
Donnell Harvey, Regional Director, Corporate Real Estate, Delta Air Lines  
Mike McNaney, Vice President - Industry, Corporate & Airport Affairs, WestJet

10:00am – 10:30am **Networking Break**

10:30am – 11:30am **Concessions Roundtable**

*The roundtables provide a forum to engage in candid discussions with your peers regarding two hot topics in airport concessions.*

### **Topic 4A: Latest Trends in the Airport Concessions Solicitation Process**

Airports need to make an informed decision with the information presented to them. However, what do airports really want to know? How much information to include in proposals? On the other side of the coin, what are the costs and resources of putting together a proposal associated to the concessionaire?

What are the Best Practices in today's environment? One debate is "Digital vs. Printed Proposals" – adopting a digital approach can streamline the process and led to lower operational expenditure for the concessionaire; however, does this come at a disadvantage to the airport?

**Facilitators:** John Reeb, Senior Principal Property Manager, San Francisco International Airport  
Adeline Moya, Vice President, Business Development, Be Relax  
Amy Snyder, Property/Contract Administrator, Boise Airport  
Joe Waller, President & CEO, Pacific Gateway

11:30am – 12:30pm **Concessions Roundtable**

*The roundtables provide a forum to engage in candid discussions with your peers regarding two hot topics in airport concessions.*

### **Topic 5A: Advertising Policies and Guidelines**

**Facilitators:** Faith Roland Quilling, Senior Director, Development, Clear Channel Airports  
Shauna Forsythe, Director of Business Development, Lamar Alliance Airport Advertising  
Eric Friedman, Concessions Manager, Louis Armstrong New Orleans International Airport  
Amy Gonzalez, General Counsel, San Diego County Regional Airport Authority

12:30pm – 2:00pm    **Lunch in Networking Lounge**

2:00pm – 3:15pm    **Session 6A: Beyond the Lease: True Partnerships Between Airports and Concessionaires**

Discover the next generation of partnerships between airports and concessionaires. This session will look beyond the lease by identifying practical solutions and opportunities that can benefit both stakeholders. Airports and concessionaires operate in a complex environment and there are unique strategies that can be deployed to leverage and expand the stakeholder relationship. Pulling together new partnership visions can help both the airport and concessionaire grow successfully and meet new demands.

Moderator: Ingrid Hairston, Director of Business Development, Raleigh-Durham Airport Authority

Speakers: Elizabeth Grzechowiak, Assistant Director of Concessions and Business Development, Metropolitan Airports Commission  
Michael Mullaney, Executive Vice President, Corporate Strategy & Development, Hudson Group  
Pady Regnier, CEO & Founder, St. Croix Airport Retail, Inc.

5:30pm – 6:00pm    **Awards Gala Reception** (*business or cocktail attire suggested*)

6:00pm – 9:00pm    **Awards Gala Dinner** (*business or cocktail attire suggested*)

Check In Check Out  
Apr 21, 2017 Apr 26, 2017

Entire home/apt

BEAUTIFUL UPPER PLAZA VILLAS CONDO  
222 North Calle El Segundo 551  
Palm Springs, CA 92262  
United States

Hosted by Tiana Capper  
Phone: +1 (310) 503-2377

Charges

\$156 x 5 nights	\$780
Cleaning fees	\$100
Service Fee	\$107
<b>Total</b>	<b>\$987</b>

$$\begin{array}{r}
 \$987 \div 5 \text{ NIGHTS} = \$197 \\
 \times 3 \text{ NIGHTS} \quad \underline{\quad 3} \\
 \hline
 \underline{\underline{\$591}} \text{ TL.}
 \end{array}$$

Payment

Charged to VISA .....	\$987
March 09, 2017	
<b>Balance</b>	<b>\$0</b>

April Boling Palm Springs Conference

Lodging/Airbnb	591.00	
Purple Room Restaurant - Dinner	51.50	Food
King's Highway - Dinner	30.01	Food
<b>TOTAL</b>	<b>672.51</b>	

FOUND THE MON NITE  
DINNER RECEIPT

I HAD  
CHANGE CARNITAS  
1 STICKY DATE PUDDING

23.00  
+ TAX 2.01  
+ TIP 5.00  
30.01

+ TAX  
+ TIP @ 20%

King's Highway  
701 E Palm Canyon Dr  
Palm Springs, CA 92264

Check: 106903  
Customer Name: 4 Custs  
Server: Aaron Table: KNG113  
04/24/17 08:50pm Guest Count: 4

3 Taco Maria Michelada	\$30.00
1 Cortez The Killer	\$19.00
2 Sticky Date Pudding	2.00 ① \$16.00
1 OG-OC Kogi	\$15.00
1 Orange Carnitas	① \$15.00
1 Ace Cactus Club	\$13.00
1 Desert Hgwy Burger	\$17.00
ADD Bacon	
1 Rouge Hznut Brown	\$8.00

Subtotal:	\$133.00
Tax::	\$11.65
Sub w/Tax:	\$144.65
Total:	<b>\$144.65</b>

18% tip would be	\$23.94
20% tip would be	\$26.60
22% tip would be	\$29.26

A friendly place.

# Purple <sup>◆◆</sup> ROOM

Where Palm Springs Plays

1900 E Palm Canyon  
Palm Springs, CA 92264  
(760)322-4422

Check 60

Eric T.  
Guests 4

Table 43

4/25/2017  
8:58 PM

<del>_____</del>	<del>_____</del>
2 Purple Pea (13.00)	① 26.00
<del>_____</del>	<del>_____</del>
<del>_____</del>	<del>_____</del>
Pork Tenderloin	① 27.00
<del>_____</del>	<del>_____</del>
<del>_____</del>	<del>_____</del>
Subtotal	13.00
Tax	27.00
TOTAL	40.00 TAX
BALANCE DUE	8.00 TIP
	\$ 51.50 TL

\*\*\*Come Back and join us for dinner\*\*\*  
Present this receipt within two weeks of today, and enjoy one complimentary glass of Bubbly with each entree purchased!  
Thank you for joining us!

# FY 2017 Per Diem Rates for Palm Springs California

(October 2016 - September 2017)

Cities not appearing below may be located within a county for which rates are listed.

To determine what county a city is located in, visit the National Association of Counties (NACO) website (a non-federal website).

## The following rates apply for Palm Springs California

Primary Destination (1, 2)	County (3, 4)	Max lodging by Month (excluding taxes)												M&IE (5)
		2016			2017									
		Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	
Palm Springs	Riverside	\$101	\$131	\$131	\$131	\$131	\$131	\$131	\$101	\$101	\$101	\$101	\$101	\$64

## Footnotes

1. Traveler reimbursement is based on the location of the work activities and not the accommodations, unless lodging is not available at the work activity, then the agency may authorize the rate where lodging is obtained.
2. Unless otherwise specified, the per diem locality is defined as "all locations within, or entirely surrounded by, the corporate limits of the key city, including independent entities located within those boundaries."
3. Per diem localities with county definitions shall include "all locations within, or entirely surrounded by, the corporate limits of the key city as well as the boundaries of the listed counties, including independent entities located within the boundaries of the key city and the listed counties (unless otherwise listed separately)."
4. When a military installation or Government-related facility (whether or not specifically named) is located partially within more than one city or county boundary, the applicable per diem rate for the entire installation or facility is the higher of the rates which apply to the cities and/or counties, even though part(s) of such activities may be located outside the defined per diem locality.
5. *Meals and Incidental Expenses*, see Breakdown of M&IE Expenses for important information on first and last days of travel.

**AMY GONZALEZ**

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY  
TRAVEL EXPENSE REPORT**

*(To be completed within 30 days from travel return date)*

TRAVELER: Amy Gonzalez DEPT. NAME & NO. General Counsel  
 DEPARTURE DATE: 2/26/2017 RETURN DATE: 2/28/2017 REPORT DUE: 3/30/17  
 DESTINATION: Dallas, TX

*Please refer to the Authority Travel and Lodging Expense Reimbursement Policy, Article 3, Part 3.4, Section 3.4.0, outlining appropriate reimbursable expenses and approvals. Please attach all required supporting documentation. All receipts must be detailed, (credit card receipts do not provide sufficient detail). Any special items should be explained in the space provided below.*

	Authority Expenses (Prepaid by Authority)	Employee Expenses							TOTALS
		SUNDAY	MONDAY 2/27/17	TUESDAY 2/28/17	WEDNESDAY 3/1/17	THURSDAY	FRIDAY	SATURDAY	
Air Fare, Railroad, Bus (attach copy of itinerary w/charges)	140.20								0.00
Conference Fees (provide copy of flyer/registration expenses)	550.00								0.00
Rental Car*									0.00
Gas and Oil*									0.00
Garage/Parking*									0.00
Mileage - attach mileage form*									0.00
Taxi and/or Shuttle Fare (include tips pd.)*				60.00					60.00
Hotel*		235.69	235.69						471.38
Telephone, Internet and Fax*									0.00
Laundry*									0.00
Tips - separately paid (maids, bellhop, other hotel srvs.)									0.00
Meals (Include tips pd.)	Breakfast*								0.00
	Lunch*								0.00
	Dinner*								0.00
	Other Meals*								0.00
<i>Attention: is a non-reimbursable expense</i>									
Hospitality <sup>1</sup> *									0.00
Miscellaneous									0.00
Baggage fee									0.00
*Provide detailed receipts									0.00
<b>Total Expenses prepaid by Authority</b>	<b>690.20</b>	<b>0.00</b>	<b>235.69</b>	<b>235.69</b>	<b>60.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>531.38</b>

Explanation:  No other receipts were provided for this travel report.	Total Expenses Prepaid by Authority	690.20
	Total Expenses Pd. by Employee (including cash advances)	531.38
	<b>Grand Trip Total</b>	<b>1,221.58</b>
	Less Cash Advance (attach copy of Authority ck)	
	Less Expenses Prepaid by Authority	690.20
	Due Traveler (positive amount) <sup>2</sup>	
	<b>Due Authority (negative amount)<sup>3</sup></b>	<b>531.38</b>

*Note: Send this report to Accounting even if the amount is \$0.*

<sup>1</sup> Give names and business affiliations of any persons whose meals were paid by traveler.  
<sup>2</sup> Prepare Check Request  
<sup>3</sup> Attach personal check payable to SDCRAA

I as traveler or administrator acknowledge that I have read, understand and agree to Authority policies 3.40 - Travel and Lodging Expense Reimbursement Policy<sup>4</sup> and 3.30 - Business Expense Reimbursement Policy<sup>5</sup> and that any purchases/claims that are not allowed will be my responsibility. I further certify that this report of travel expenses were incurred in connection with official Authority business and is true and correct.

Travel and Lodging Expense Reimbursement Policy 3.40      Business Expense Reimbursement Policy 3.30

Prepared By: Kendy Rios Ext.: x2424  
 Traveler Signature: Amy L Print/Type Name Date: 4/28/2017  
 Approved By: \_\_\_\_\_ Date: \_\_\_\_\_

**AUTHORITY CLERK CERTIFICATION ON BEHALF OF EXECUTIVE COMMITTEE** (To be certified if used by President/CEO, Gen. Counsel, or Chief Auditor)

I, \_\_\_\_\_ hereby certify that this document was approved by the Executive Committee at its \_\_\_\_\_ meeting.  
 (Please leave blank. Whoever clerk's the meeting will insert their name and title.)  
 (Leave blank and we will insert the meeting date.)

Failure to attach required documentation will result in the delay of processing reimbursement. If you have any questions, please see your department Administrative Assistant or call Accounting at ext. 2806.

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY  
OUT-OF-TOWN TRAVEL REQUEST**

**GENERAL INSTRUCTIONS:**

- A. All travel requests must conform to applicable provisions of Policies 3.30 and 3.40.
- B. Personnel traveling at Authority expense shall, consistent with the provisions of Policies 3.30 and 3.40, use the most economical means available to affect the travel.

**1. TRAVELER:**

Travelers Name: Amy Gonzalez Dept: 15

Position:  Board Member  President/CEO  Gen. Counsel  Chief Auditor

All other Authority employees (does not require executive committee administrator approval)

2. DATE OF REQUEST: 1/23/17 PLANNED DATE OF DEPARTURE/RETURN: 2/26/17 / 2/28/17

**3. DESTINATIONS/PURPOSE (Provide detailed explanation as to the purpose of the trip— continue on extra sheets of paper as necessary):**

Destination: Dallas, TX Purpose: P3 Conference  
Explanation: P3 Conference

**4. PROJECTED OUT-OF-TOWN TRAVEL EXPENSES**

**A. TRANSPORTATION COSTS:**

• AIRFARE \$ 600.00  
• OTHER TRANSPORTATION (Taxi, Train, Car Rental) \$ 0.00

B. LODGING \$ 500.00

C. MEALS \$ 100.00

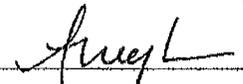
D. SEMINAR AND CONFERENCE FEES \$ \_\_\_\_\_

E. ENTERTAINMENT (If applicable) \$ \_\_\_\_\_

F. OTHER INCIDENTAL EXPENSES \$ \_\_\_\_\_

**TOTAL PROJECTED TRAVEL EXPENSE** \$ 1200.00

**CERTIFICATION BY TRAVELER** By my signature below, I certify that the above listed out-of-town travel and associated expenses conform to the Authority's Policies 3.30 and 3.40 and are reasonable and directly related to the Authority's business.

Travelers Signature:  Date: 1/24/17

**CERTIFICATION BY ADMINISTRATOR** (Where Administrator is the Executive Committee, the Authority Clerk's signature is required).

By my signature below, I certify the following:

- 1. I have conscientiously reviewed the above out-of-town travel request and the details provided on the reverse.
- 2. The concerned out-of-town travel and all identified expenses are necessary for the advancement of the Authority's business and reasonable in comparison to the anticipated benefit to the Authority.
- 3. The concerned out-of-town travel and all identified expenses conform to the requirements and intent of Authority's Policies 3.30 and 3.40.

Administrator's Signature: \_\_\_\_\_ Date: \_\_\_\_\_

**AUTHORITY CLERK CERTIFICATION ON BEHALF OF EXECUTIVE COMMITTEE**

I, Tony Russell, Authority Clerk, hereby certify that this document was approved  
(Please leave blank. Whoever clerk's the meeting will insert their name and title.)

by the Executive Committee at its 2-21-17 meeting.  
(Leave blank and we will insert the meeting date.)

# Registration

Share Your Plans!

## Congratulations!

You are now registered for P3C 2017

Hi Amy,

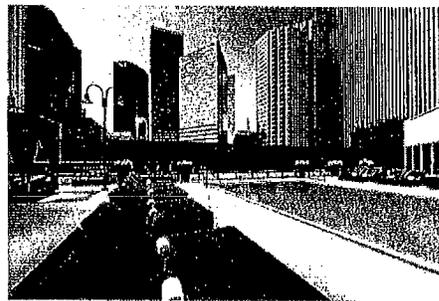
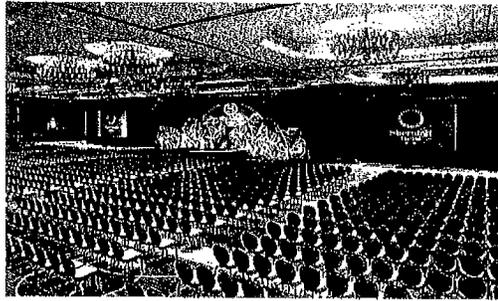
Please print this page as your confirmation, and we will send you a receipt of payment momentarily. If someone other than the registered attendee made this registration, please be sure to forward this information to that person.

### Now It's Time to Book Your Room:

The Sheraton Dallas Hotel is our event headquarters. A block of rooms are being held at the hotel at a special rate of \$179. Reservations must be made by Friday, February 17, 2017 or before the block is sold out in order to guarantee this rate. Reservations made after this date can only be honored on a space and rate available basis.

### To make your hotel reservations, please click here

(<https://www.starwoodmeeting.com/events/start.action?id=1606237179&key=11F6B625>) or call the hotel directly at (214) 922-8000 and identify yourself as part of P3C or The Public-Private Partnership Conference.



### Order Summary

Order #283647 | 1 Ticket | Total amount: 550

A confirmation email will be sent to [agonzale@san.org](mailto:agonzale@san.org)

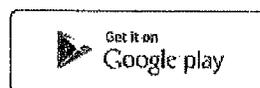
## Get Ready for the Event

### Download the Event App

Access your tickets and event info on your mobile device. Download and search for P3C 2017



(<http://www.bizzabo.com/download/iphone>)



(<http://www.bizzabo.com/download/android>)

Add to calendar: Google (<https://www.google.com/calendar/render?action=TEMPLATE&text=P3C%202017&dates=20170227T080000/20170301T150000&details=P3C%20is%20one%20of%20the%20largest%20gatherings%20of%20development%20professionals%20in%20the%20country.%20With%20>)



Traveltrust Corporation  
 374 North Coast Hwy 101, Suite F  
 Encinitas, CA 92024  
 Phone: (760) 635-1700

**ADD TO OUTLOOK**

Tuesday, 14FEB 2017 04:47 PM EST

**Passengers: AMY GONZALEZ (15)**

Agency Reference Number: TURWHF

Click here to view your current Itinerary or ETicket receipt on-line: [tripcase.com](http://tripcase.com)

Southwest Airlines Confirmation 5YCA9N

Please review your itinerary and report any discrepancies to Traveltrust within 24hrs of receipt  
 Be sure to visit [www.traveltrust.com](http://www.traveltrust.com) for additional travel information

TRAVELTRUST STRONGLY RECOMMENDS CHECKING IN  
 ONLINE WITH YOUR AIRLINE AT LEAST 24 HOURS PRIOR TO  
 EACH FLIGHT FOR THE MOST CURRENT TIMES AND ALERTS

**AIR Monday, 27FEB 2017**



**Southwest Airlines**

**Flight Number:** 1837

**Class:** L-Coach/Economy

**From:** San Diego CA, USA

**Depart:** 07:00 AM

**To:** Dallas Love Field TX, USA

**Arrive:** 11:55 AM

**Stops:** Nonstop

**Duration:** 2 hour(s) 55 minute(s)

**Status:** CONFIRMED

**Miles:** 1175 / 1880 KM

Equipment: Boeing 737-700 Jet

DEPARTS SAN TERMINAL 1 - ARRIVES DAL TERMINAL 1

**Southwest Airlines Confirmation number is 5YCA9N**

THE FLIGHTS BOOKED. IF THE RESERVATION IS NOT USED  
 OR CANCELLED BEFORE THE DEPARTURE OF YOUR FLIGHTS  
 IT MAY HAVE NO VALUE. CONTACT TRAVELTRUST BEFORE  
 YOUR OUTBOUND FLIGHT IF CHANGE IS NECESSARY.  
 SOUTHWEST AIRLINES CONFIRMATION NUMBER - 5YCA9N  
 FOR EMERGENCY SERVICE FROM UNITED STATES - 888-221-6043

**Ticket/Invoice Information**

Ticket for: AMY GONZALEZ

Ticket Nbr: WN2487730310 Electronic Tkt: No Amount: 0.00

Base: 0.00 Tax: 0.00

Charged to: AX\*\*\*\*\*[REDACTED]

Service fee: AMY GONZALEZ

Date issued: 2/14/2017

Document Nbr: XD0700766338 Amount: 25.00

Charged to: AX\*\*\*\*\*[REDACTED]

Total Tickets: 0.00  
 Total Fees: 25.00  
 Total Amount: 25.00



Traveltrust Corporation  
 374 North Coast Hwy 101, Suite F  
 Encinitas, CA 92024  
 Phone: (760) 635-1700

**ADD TO OUTLOOK**

Wednesday, 25JAN 2017 01:48 PM EST

**Passengers: AMY GONZALEZ (15)**

Agency Reference Number: IYZUBR

Click here to view your current Itinerary or ETicket receipt on-line: [trlpcase.com](http://trlpcase.com)

American Airlines Confirmation IYZUBR

Please review your itinerary and report any discrepancies to Traveltrust within 24hrs of receipt  
 Be sure to visit [www.traveltrust.com](http://www.traveltrust.com) for additional travel information

TRAVELTRUST STRONGLY RECOMMENDS CHECKING IN  
 ONLINE WITH YOUR AIRLINE AT LEAST 24 HOURS PRIOR TO  
 EACH FLIGHT FOR THE MOST CURRENT TIMES AND ALERTS

**AIR Wednesday, 1MAR 2017**

**American Airlines**

**From:** Dallas/Ft Worth TX, USA

**To:** San Diego CA, USA

**Stops:** Nonstop

**Seats:** 24D

**Equipment:** Airbus A321 Jet

**ARRIVES SAN TERMINAL 2**

**American Airlines Confirmation number is IYZUBR**

**Flight Number:** 0474

**Depart:** 05:00 PM

**Arrive:** 06:10 PM

**Duration:** 3 hour(s) 10 minute(s)

**Status:** CONFIRMED

**MEAL:** FOOD FOR PURCHASE

**Class:** S-Coach/Economy

**Miles:** 1175 / 1880 KM

THIS TICKET IS NON-REFUNDABLE AND MUST BE USED FOR  
 THE FLIGHTS BOOKED. IF THE RESERVATION IS NOT USED  
 OR CANCELLED BEFORE THE DEPARTURE OF YOUR FLIGHTS  
 IT MAY HAVE NO VALUE. CONTACT TRAVELTRUST BEFORE  
 YOUR OUTBOUND FLIGHT IF CHANGE IS NECESSARY.  
 AMERICAN AIRLINES CONFIRMATION NUMBER - IYZUBR  
 FOR EMERGENCY SERVICE FROM UNITED STATES - 888-221-6043

**Ticket/Invoice Information**

Ticket for: AMY GONZALEZ

Date issued: 1/25/2017 Invoice Nbr: 5410471

Ticket Nbr: AA7940626670 Electronic Tkt: Yes Amount: 140.20 USD

Base: 117.21 US Tax: 8.79 USD XT Tax: 14.20 USD

Charged to: AX\*\*\*\*\*

Service fee: AMY GONZALEZ

Date issued: 1/25/2017

Document Nbr: XD0699867897

Amount: 30.00

Charged to: AX\*\*\*\*\*

Total Tickets: 140.20

Total Fees: 30.00

Sheraton Dallas  
 400 North Olive Street  
 Dallas, TX 75201  
 United States  
 Tel: 214-922-8000 Fax: 214-922-0308



**Sheraton**

Amy Gonzales  
 Po Box 82776  
 San Diego, CA, 92138-2776  
 PB18AA - P3 Conference Attendee Block

Page Number : 1  
 Guest Number : 1860179  
 Follo ID : A  
 Arrive Date : 27-FEB-17 13:38  
 Depart Date : 01-MAR-17 12:00  
 No. Of Guest : 1  
 Room Number : 2578  
 Club Account : SPG - A8729

Tax Invoice

Sheraton Dallas MAR-01-2017 12:51 LATOJAC

Date	Reference	Description	Charges (USD)	Credits (USD)
27-FEB-17	RT2578	Room Charge	179.00	
27-FEB-17	RT2578	2% Tourism PID Fee	3.58	
27-FEB-17	RT2578	7% City Occupancy Tax	12.78	
27-FEB-17	RT2578	6% State Occupancy Tax	10.95	
28-FEB-17	31031	Room Service	58.76	
28-FEB-17	RT2578	Room Charge	179.00	
28-FEB-17	RT2578	2% Tourism PID Fee	3.58	
28-FEB-17	RT2578	7% City Occupancy Tax	12.78	
28-FEB-17	RT2578	6% State Occupancy Tax	10.95	
01-MAR-17	VI	Visa-0192		-471.38

\*\*\*For Authorization Purpose Only\*\*\*

xxxxx [REDACTED]  
 Date Code Authorized  
 27-FEB-17 03042D 483.3

Approve EMV Receipt for VI - 0192; no CVM  
 TC:B8733BB54ED91347 TVR:0080008000 AID:A0000000031010  
 Application Label:CHASE VISA

Continued on the next page

**YELLOW CAB DFW**  
(214)426-6262 or (817)426-6262  
(See reverse side of receipt for instructions  
how to download our mobile app)

Amount/Cuenta: 60.00 Date/Fecha: 03.01.17

Trip From/Viaje de: SHIRAZ

To/Destinacion: DFW

Driver/Taxista: \_\_\_\_\_

ID#: 80444 Taxi #: 202

# Agenda

EVENT DETAILS

GET INVOLVED

REGISTER

(<http://thep3conference.com/registratic>)

## 2017 Agenda-At-A-Glance

8:00am

9:00am •

MONDAY FEB 27 (/202145/AGENDA/1)

VIEW

List 

**Conference Check-In, Exhibitor Set-Up**

(/202145/agenda/session/162963)

8:00am - 2:00pm Feb 27

8:30am •

TRACKS

- Main Room
- Chaparral Room
- Off Site Tour
- Expo Hall
- Dallas Ballroom D1
- Dallas Ballroom D2
- Dallas Ballroom D3
- Lone Star Ballroom A4
- Lone Star Ballroom A3
- Lone Star Ballroom A2

**Pre-Conference Activity - P3 Questions? P3 Answers.**

(/202145/agenda/session/162964)

8:30am - 11:00am Feb 27

Open to Public Sector Attendees Only - Advanced Sign Up Required

[Read more](#)

**Pre-Conference Activity - P3 Hits the Highway: A Tour of Dallas' LBJ Express**

(/202145/agenda/session/162965)

9:15am - 11:30am Feb 27

Open to All Attendees | Advanced Sign Up Required

[Read more](#)

1:30pm •

**Official Conference Start: Welcome & Opening Remarks**



**P 3 C**  
**PUBLIC-PRIVATE PARTNERSHIP**  
**CONFERENCE**  
**& EXPO 2017**

It's a pleasure to welcome you to P3C 2017!

The conference officially begins Monday afternoon at 1:30pm in the Dallas Ballroom with our opening presentations. Formal conference activities continue until 6:00pm, and will be followed by our Opening Night Welcome Reception which goes from 6:00pm to 8:00pm. The Higher Education Reception also starts at 6:00pm, and will be located on the 38th floor of the hotel in the Chaparral Room.

On Tuesday, please join us for breakfast starting at 7:30am. Conference activities run Tuesday from 8:00am to 5:15pm. Lunch will be served at 12:00pm, and our second Networking Reception will be that evening at 5:15pm.

On Wednesday, breakfast begins at 7:00am. The conference proceeds from 8:00am until its official end at 12:30pm.

Please view the conference booklet included in your guest bag for a more detailed presentation of all events scheduled.

While here at P3C we encourage you to spend some of your time in our Expo Hall where you can meet exhibitors sharing information about their communities, organizations, products, and services. Networking breaks, meals, as well as the main Monday & Tuesday receptions will all take place in the Expo Hall.

We look forward to working with you over the next three days. If you are in need of any special services (or just looking for a great restaurant recommendation while in town) Mendie Triguero, our Event Coordinator, or any member of the P3C team at the help desk will be happy to assist you. Please do not hesitate to provide us feedback or suggestions on any aspects of this week's events. It's our goal to make this conference the best possible for everyone attending.

We're thrilled you've been able to join us this year, and we hope the next three days are a rewarding and enjoyable experience that helps you meet all of your P3 objectives.

Sincerely,



Eric Iravani, Executive Director - P3C

**ANGELA SHAFER-PAYNE**

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY**

**TRAVEL EXPENSE REPORT**

*(To be completed within 30 days from travel return date)*

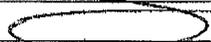
TRAVELER: Angola Shafer-Payne DEPT. NAME & NO. Executive Office/BU 6  
 DEPARTURE DATE: 4/27/2017 RETURN DATE: 4/28/2017 REPORT DUE: 5/28/17  
 DESTINATION: Washington, DC

*Please refer to the Authority Travel and Lodging Expense Reimbursement Policy, Article 3, Part 3.4, Section 3.40, outlining appropriate reimbursable expenses and approvals. Please attach all required supporting documentation. All receipts must be detailed, (credit card receipts do not provide sufficient detail). Any special items should be explained in the space provided below.*

	Authority Expenses (Prepaid by Authority)	Employee Expenses							TOTALS
		SUNDAY 4/30/17	MONDAY	TUESDAY	WEDNESDAY	THURSDAY 4/27/17	FRIDAY 4/28/17	SATURDAY 4/29/17	
Air Fare, Railroad, Bus (attach copy of Itinerary w/charges)	\$871.60								0.00
Conference Fees (provide copy of flyer/registration expenses)									0.00
Rental Car*									0.00
Gas and Oil*									0.00
Garage/Parking*									0.00
Mileage - attach mileage form*									0.00
Taxi and/or Shuttle Fare (include tips pd.)*		17.50				20.50	19.24		57.24
Hotel*						219.70			219.70
Telephone, Internet and Fax*									0.00
Laundry*									0.00
Tips - separately paid (maids, bellhop, other hotel svcs.)									0.00
Meals (include tips pd.)	Breakfast*								0.00
	Lunch*								0.00
	Dinner*					5.11			5.11
	Other Meals*								0.00
<i>Alcohol is a non-reimbursable expense</i>									
Hospitality <sup>1*</sup>									0.00
Miscellaneous:									0.00
									0.00
									0.00
*Provide detailed receipts									0.00
<b>Total Expenses prepaid by Authority</b>	<b>871.60</b>	<b>17.50</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>245.31</b>	<b>19.24</b>	<b>0.00</b>	<b>282.05</b>

Explanation:  Traveler extended trip through 4/30/17. Travel Trust confirmed that the price to return on 4/30/17 was the same as if returning on 4/28/17.  <sup>1</sup> Give names and business affiliations of any persons whose meals were paid by traveler. <sup>2</sup> Prepare Check Request <sup>3</sup> Attach personal check payable to SDCRAA	Total Expenses Prepaid by Authority	871.60
	Total Expenses Incurred by Employee (including cash advances)	282.05
	<b>Grand Trip Total</b>	<b>1,153.65</b>
	Less Cash Advance (attach copy of Authority ck)	
	Less Expenses Prepaid by Authority	871.60
	<b>Due Traveler (positive amount)<sup>2</sup></b>	
<b>Due Authority (negative amount)<sup>3</sup></b>	<b>282.05</b>	
<i>Note: Send this report to Accounting even if the amount is \$0.</i>		

I as traveler or administrator acknowledge that I have read, understand and agree to Authority policies 3.40 - Travel and Lodging Expense Reimbursement Policy<sup>4</sup> and 3.30 - Business Expense Reimbursement Policy<sup>5</sup> and that any purchases/claims that are not allowed will be my responsibility. I further certify that this report of travel expenses were incurred in connection with official Authority business and is true and correct.  
<sup>4</sup> Travel and Lodging Expense Reimbursement Policy 3.40      <sup>5</sup> Business Expense Reimbursement Policy 3.30

Prepared By: Kim Ayers Ext.: 2445  
 Traveler Signature:  Date: 5.1.17  
 Approved By:  Date: \_\_\_\_\_

**AUTHORITY CLERK CERTIFICATION ON BEHALF OF EXECUTIVE COMMITTEE** (To be certified if used by President/CEO, Gen. Counsel, or Chief Auditor)

I, \_\_\_\_\_ hereby certify that this document was approved by the Executive Committee at its \_\_\_\_\_ meeting.  
 (Please leave blank. Whoever clerk's the meeting will insert their name and title.)  
 (Leave blank and we will insert the meeting date.)

*Failure to attach required documentation will result in the delay of processing reimbursement. If you have any questions, please see your department Administrative Assistant or call Accounting at ext. 2806.*

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY  
OUT-OF-TOWN TRAVEL REQUEST**

**GENERAL INSTRUCTIONS:**

- A. All travel requests must conform to applicable provisions of Policies 3.30 and 3.40.
- B. Personnel traveling at Authority expense shall, consistent with the provisions of Policies 3.30 and 3.40, use the most economical means available to affect the travel.

**1. TRAVELER:**

Travelers Name: Angela Shafer-Payne Dept: 6

Position:  Board Member  President/CEO  Gen. Counsel  Chief Auditor

All other Authority employees (does not require executive committee administrator approval)

2. DATE OF REQUEST: 4/24/17 PLANNED DATE OF DEPARTURE/RETURN: 4/27/17 / 4/28/17

3. DESTINATIONS/PURPOSE (Provide detailed explanation as to the purpose of the trip— continue on extra sheets of paper as necessary);

Destination: Washington, DC

Purpose: Attend U.S. Travel & Gateway Airports Council Briefing with Vice President.

Explanation:

**4. PROJECTED OUT-OF-TOWN TRAVEL EXPENSES**

**A. TRANSPORTATION COSTS:**

- AIRFARE \$ 900.00
- OTHER TRANSPORTATION (Taxi, Train, Car Rental) \$ 100.00

B. LODGING \$ 320.00

C. MEALS \$ 100.00

D. SEMINAR AND CONFERENCE FEES \$ \_\_\_\_\_

E. ENTERTAINMENT (If applicable) \$ \_\_\_\_\_

F. OTHER INCIDENTAL EXPENSES \$ 50.00

**TOTAL PROJECTED TRAVEL EXPENSE** \$ 1470.00

**CERTIFICATION BY TRAVELER** By my signature below, I certify that the above listed out-of-town travel and associated expenses conform to the Authority's Policies 3.30 and 3.40 and are reasonable and directly related to the Authority's business.

Travelers Signature: [Signature] Date: 4.24.17

**CERTIFICATION BY ADMINISTRATOR** (Where Administrator is the Executive Committee, the Authority Clerk's signature is required).

By my signature below, I certify the following:

1. I have conscientiously reviewed the above out-of-town travel request and the details provided on the reverse.
2. The concerned out-of-town travel and all identified expenses are necessary for the advancement of the Authority's business and reasonable in comparison to the anticipated benefit to the Authority.
3. The concerned out-of-town travel and all identified expenses conform to the requirements and intent of Authority's Policies 3.30 and 3.40.

Administrator's Signature: \_\_\_\_\_ Date: \_\_\_\_\_

**AUTHORITY CLERK CERTIFICATION ON BEHALF OF EXECUTIVE COMMITTEE**

I, Tony L. Russell, Authority Clerk, hereby certify that this document was approved  
(Please leave blank. Whoever clerk's the meeting will insert their name and title.)

by the Executive Committee at its 4/24/17 meeting.  
(Leave blank and we will insert the meeting date.)

## Ayers Kim

---

**From:** Ayers Kim  
**Sent:** Monday, May 01, 2017 8:51 AM  
**To:** Ayers Kim  
**Subject:** FW: White House Meeting

**Importance:** High

**From:** Erik Hansen [REDACTED]  
**Sent:** Friday, April 21, 2017 12:29 PM  
**To:** GAC Airport Staff; GAC Washington Reps  
**Cc:** Jonathan Grella; Martin Whitmer; Emerson Hemperley  
**Subject:** White House Meeting  
**Importance:** High

GAC Staff and Wash Reps:

Steve Pinkos, Chief of Staff to Vice President Pence, and his team have invited U.S. Travel and the GAC to meet with them next Friday, April 28<sup>th</sup>, at 11:30a.m. to discuss issues related to airport modernization and the PFC. To ensure a focused meeting, we've been asked to limit the number of attendees to no more than one representative per GAC airport. **To RSVP for the meeting, please send an email to me and Emerson Hemperley by no later than 12:00p.m. ET on Tuesday, April 25.**

We'll share additional details and background for the meeting on next week's GAC Policy Committee call.

Thanks,

Erik

Erik Hansen | Vice President, Government Relations  
U.S. Travel Association 1100 New York Avenue, NW | Suite 450 | Washington, D.C. 20005  
T 202.408.2184  
LEARN MORE [ustravel.org](http://ustravel.org) | [projecttimeoff.com](http://projecttimeoff.com) | [travelcoalition.org](http://travelcoalition.org)  
FOLLOW US [Facebook](#) | [Twitter](#) | [LinkedIn](#)





Traveltrust Corporation  
 374 North Coast Hwy 101, Suite F  
 Encinitas, CA 92024  
 Phone: (760) 635-1700



Monday, 24APR 2017 02:41 PM EDT

Passengers: ANGELA SHAFERPAYNE (51)

Agency Reference Number: ZZYWIO

Click here to view your current itinerary or ETicket receipt on-line: [tripcase.com](http://tripcase.com)

Delta Air Lines Confirmation JKNCTN

Please review your itinerary and report any discrepancies to Traveltrust within 24hrs of receipt  
 Be sure to visit [www.traveltrust.com](http://www.traveltrust.com) for additional travel information

TRAVELTRUST STRONGLY RECOMMENDS CHECKING IN  
 ONLINE WITH YOUR AIRLINE AT LEAST 24 HOURS PRIOR TO  
 EACH FLIGHT FOR THE MOST CURRENT TIMES AND ALERTS

**AIR Thursday, 27APR 2017**

<b>Delta Air Lines</b>	<b>Flight Number:</b> 2628	<b>Class:</b> L-Coach/Economy
<b>From:</b> San Diego CA, USA	<b>Depart:</b> 07:00 AM	
<b>To:</b> Detroit Metro MI, USA	<b>Arrive:</b> 02:31 PM	
<b>Stops:</b> Nonstop	<b>Duration:</b> 4 hour(s) 31 minute(s)	
<b>Seats:</b> 16C	<b>Status:</b> CONFIRMED	<b>Miles:</b> 1958 / 3133 KM
<b>Equipment:</b> Boeing 737-900 Jet	<b>MEAL:</b> FOOD FOR PURCHASE	
<b>DEPARTS SAN TERMINAL 2 - ARRIVES DTW E.H.MCNAMARA TERMINAL</b>		
<b>Frequent Flyer Number:</b> [REDACTED]		
<b>AISLE SEAT CONFIRMED</b>		
<b>Delta Air Lines Confirmation number is JKNCTN</b>		

**AIR Thursday, 27APR 2017**

<b>Delta Air Lines</b>	<b>Flight Number:</b> 1863	<b>Class:</b> L-Coach/Economy
<b>From:</b> Detroit Metro MI, USA	<b>Depart:</b> 03:30 PM	
<b>To:</b> Washington Reagan Natl DC, USA	<b>Arrive:</b> 05:00 PM	
<b>Stops:</b> Nonstop	<b>Duration:</b> 1 hour(s) 30 minute(s)	
<b>Seats:</b> 16C	<b>Status:</b> CONFIRMED	<b>Miles:</b> 391 / 626 KM
<b>Equipment:</b> McDonnell Douglas MD-88 Jet	<b>MEAL:</b> NO MEAL SVC	
<b>DEPARTS DTW E.H.MCNAMARA TERMINAL - ARRIVES DCA TERMINAL B</b>		
<b>Frequent Flyer Number:</b> [REDACTED]		
<b>AISLE SEAT CONFIRMED</b>		
<b>Delta Air Lines Confirmation number is JKNCTN</b>		

**AIR Sunday, 30APR 2017**

<b>Delta Air Lines</b>	<b>Flight Number:</b> 1758	<b>Class:</b> L-Coach/Economy
<b>From:</b> Washington Reagan Natl DC, USA	<b>Depart:</b> 06:00 AM	
<b>To:</b> Detroit Metro MI, USA	<b>Arrive:</b> 07:35 AM	
<b>Stops:</b> Nonstop	<b>Duration:</b> 1 hour(s) 35 minute(s)	
<b>Seats:</b> 24B	<b>Status:</b> CONFIRMED	<b>Miles:</b> 391 / 626 KM

Equipment: Boeing 717 Jet MEAL: NO MEAL SVC  
DEPARTS DCA TERMINAL B - ARRIVES DTW E.H.MCNAMARA TERMINAL  
Frequent Flyer Number: [REDACTED]  
AISLE SEAT CONFIRMED  
Delta Air Lines Confirmation number is JKNCTN



<b>Delta Air Lines</b>	<b>Flight Number: 0833</b>	<b>Class: L-Coach/Economy</b>
<b>From: Detroit Metro MI, USA</b>	<b>Depart: 08:35 AM</b>	
<b>To: San Diego CA, USA</b>	<b>Arrive: 10:31 AM</b>	
<b>Stops: Nonstop</b>	<b>Duration: 4 hour(s) 56 minute(s)</b>	
<b>Seats: 24F</b>	<b>Status: CONFIRMED</b>	<b>Miles: 1958 / 3133 KM</b>
<b>Equipment: Boeing 757 Jet</b>	<b>MEAL: FOOD FOR PURCHASE</b>	
<b>DEPARTS DTW E.H.MCNAMARA TERMINAL - ARRIVES SAN TERMINAL 2</b>		
Frequent Flyer Number: [REDACTED]		
<b>WINDOW SEAT - WE WILL MONITOR FOR AISLE</b>		
<b>Delta Air Lines Confirmation number is JKNCTN</b>		

THIS TICKET IS NON-REFUNDABLE AND MUST BE USED FOR THE FLIGHTS BOOKED. IF THE RESERVATION IS NOT USED OR CANCELLED BEFORE THE DEPARTURE OF YOUR FLIGHTS IT MAY HAVE NO VALUE. CONTACT TRAVELTRUST BEFORE YOUR OUTBOUND FLIGHT IF CHANGE IS NECESSARY. DELTA AIR LINES CONFIRMATION NUMBER - JKNCTN FOR EMERGENCY SERVICE FROM UNITED STATES - 888-221-6043

**Ticket/Invoice Information**

Ticket for: ANGELA SHAFERPAYNE  
Date issued: 4/24/2017 Invoice Nbr: 5421939  
Ticket Nbr: DL7967520543 Electronic Tkt: Yes Amount: 841.60 USD  
Base: 740.46 US Tax: 55.54 USD XT Tax: 45.60 USD  
Charged to: AX\*\*\*\*\*[REDACTED]

Service fee: ANGELA SHAFERPAYNE  
Date issued: 4/24/2017  
Document Nbr: XD0703810365 Amount: 30.00  
Charged to: AX\*\*\*\*\*[REDACTED]

Total Tickets: 841.60  
Total Fees: 30.00  
Total Amount: 871.60

**Click here 24 hours in advance to obtain boarding passes:**

[DELTA](#)

**Click here to review Baggage policies and guidelines:**

[DELTA](#)

TSA Guidance- a government issued photo id is needed for checkin. Please allow minimum 3 hour check-in for International flights and 2 hours for Domestic. For Additional security information visit [www.tsa.gov](http://www.tsa.gov).

Thank you for choosing Traveltrust!  
Our Business Hours are 2am-5:30pm Pacific Monday - Friday, Saturday from 9am-1pm Pacific.  
For EMERGENCY AFTERTHOUS assistance In the US, please call 888-221-6043 and use VIP Code SJE72. You can also use the Direct Dial Number 682-233-1914 or the collect number 682-647-0061. Each call is billable at a minimum \$25.00 per call/reservation

# GRAND | HYATT

Grand Hyatt Washington  
 1000 H Street NW  
 Washington, DC 20001  
 Tel: 202-582-1234  
 Fax: 202-637-4781  
[www.grandwashington.hyatt.com](http://www.grandwashington.hyatt.com)

## INVOICE

Payee Angela Shafer-Payne

Room No. 0767  
 Arrival 04-27-17  
 Departure 04-30-17  
 Page No. 1 of 1  
 Folio Window 1  
 Folio No. 1051645

Confirmation No. 4177452901

Group Name

Booking No. 831259603

Date	Description	Charges	Credits
04-27-17	Deposit Transferred at C/I		659.10
04-27-17	Package Room	191.88	} \$219.70
04-27-17	Occupancy Sales Tax 14.5%	27.82	
04-28-17	- Cabinet Breakfast Food	10.00	
04-28-17	Package Room	191.88	
04-28-17	Occupancy Sales Tax 14.5%	27.82	
04-29-17	Package Room	191.88	
04-29-17	Occupancy Sales Tax 14.5%	27.82	
04-30-17	American Express	XXXXXXXXXXXX-XX/XX	10.00
<b>Total</b>		669.10	669.10

Guest Signature

**Balance**

0.00

I agree that my liability for this bill is not waived and I agree to be held personally liable in the event that the indicated person, company or association fails to pay for any part or the full amount of these charges.

WE HOPE YOU ENJOYED YOUR STAY WITH US!

Thank you very much for staying with us, we hope to have the pleasure of your company in the future. If you were not **Completely Satisfied** with your stay, I would like to hear from you.

### World of Hyatt Summary

I can be reached at: [lee.steger@hyatt.com](mailto:lee.steger@hyatt.com)

No Membership to be credited

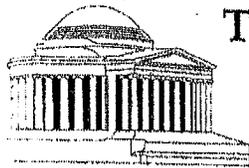
If you are not able to locate a personal belonging or feel that you may have left something behind we are happy to assist you with your search.  
 Please visit our partner website: [leefmystuff.com](http://leefmystuff.com) and use hotel code 82194

Join World of Hyatt today and start earning points for stays, dining and more.  
 Visit [www.worldofhyatt.com](http://www.worldofhyatt.com)

For inquiries concerning your bill please call 855-869-0846

Please remit payment to:  
 Grand Hyatt Washington  
 Department 350  
 Washington, DC 20042-3350

**RECEIPTS FOR TRIP TO WASHINGTON, DC  
APRIL 28, 2017 - ANGELA SHAFER-PAYNE**



**TAXICAB RECEIPT**

Time: 4.27.17  
Date: \_\_\_\_\_

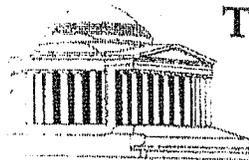
Origin of trip: Reason Inst  
Destination: Grand Hyatt  
Fare: \$18.50 + 2 tip Sign: \$20.50

*Dinner Through*  
**SUBWAY**

Subway#18471-0 Phone 202-289-7709  
1100 New York Ave NW Lbby#11 Subway  
Washington, DC, 20005  
Served by: Nisha 4/27/2017 7:50:46 pm  
Term ID-Trans# 1/A-233729

Qty	Size	Item	Price
1		Mini Turkey Sub	3.00
1		6" Turkey Sub	4.65
1		-Fresh Value Meal (21-1)	2.50
		-Milk	
		-Apples	4.65
1		Bag Fee	0.05
		TAX	.46
		<b>\$ 5.11</b>	
		Sub Total	10.20
		Taxable Amount	10.15
		SALES TAX (10%)	1.02
		Total (Eat In)	11.22
		Cash	20.22
		Change	9.00

If it isn't right, I will make it right!  
D Jones 571 242 7531

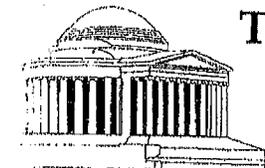


**TAXICAB RECEIPT**

Time: \_\_\_\_\_  
Date: 4.28.17

Origin of trip: Grand Hyatt  
Destination: Metropolitan Club  
Fare: \$8.50 + 2.00 tip Sign: \$10.50

Host Order ID: SPM20170427075046



**TAXICAB RECEIPT**

Time: \_\_\_\_\_  
Date: 4.30.17

Origin of trip: Grand Hyatt  
Destination: DCA  
Fare: \$15.50 + 2 tip Sign: \$17.50

NATIONAL TRANS L  
CAB # A232  
04/28/17 TR 677  
START END MILES  
12:59 13:06 0.5  
REGULAR FARE  
FARE: \$ 6.49  
EXTRA: \$ 0.00  
TOLL: \$ 0.00  
SRCH: \$ 0.25  
TOTAL: \$ 6.74  
**\$ 8.74**  
DFHV COMPLAINTS  
LINE AND  
WEBSITE ADDRESS  
855-484-4966  
TTY 711 HTTP://  
DFHV.DC.GOV/

*White House  
to Grand Hyatt  
+ 2.00 tip*

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY**

**TRAVEL EXPENSE REPORT**

*(To be completed within 30 days from travel return date)*

TRAVELER: Angela Shafer-Payne DEPT. NAME & NO. Executive Office/BU 6

DEPARTURE DATE: 4/20/2017 RETURN DATE: 4/21/2017 REPORT DUE: 5/21/17

DESTINATION: Washington, DC

*Please refer to the Authority Travel and Lodging Expense Reimbursement Policy, Article 3, Part 3.4, Section 3.40, outlining appropriate reimbursable expenses and approvals. Please attach all required supporting documentation. All receipts must be detailed, (credit card receipts do not provide sufficient detail). Any special items should be explained in the space provided below.*

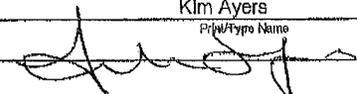
	Authority Expenses (Prepaid by Authority)	Employee Expenses							TOTALS
		SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY 4/20/17	FRIDAY 4/21/17	SATURDAY	
Air Fare, Railroad, Bus (attach copy of itinerary w/charges)	\$946.61								0.00
Conference Fees (provide copy of flyer/registration expenses)									0.00
Rental Car*									0.00
Gas and Oil*									0.00
Garage/Parking*									0.00
Mileage - attach mileage form*									0.00
Taxi and/or Shuttle Fare (include tips pd.)*						18.00	28.00		46.00
Hotel*						274.07			274.07
Telephone, Internet and Fax*									0.00
Laundry*									0.00
Tips - separately paid (maids, bellhop, other hotel svcs.)									0.00
Meals (include tips pd.)	Breakfast*								0.00
	Lunch*								0.00
	Dinner*						23.05		23.05
	Other Meals*								0.00
<i>Alcohol is a non-reimbursable expense</i>									
Hospitality <sup>1</sup> *									0.00
Miscellaneous:									0.00
									0.00
									0.00
*Provide detailed receipts									0.00
<b>Total Expenses prepaid by Authority</b>	<b>946.61</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>292.07</b>	<b>51.05</b>	<b>0.00</b>	<b>343.12</b>

Explanation:

Total Expenses Prepaid by Authority	946.61
Total Expenses Incurred by Employee (including cash advances)	343.12
<b>Grand Trip Total</b>	<b>1,289.73</b>
Less: Cash Advance (attach copy of Authority ck)	
Less Expenses Prepaid by Authority	946.61
<b>Due Traveler (positive amount)<sup>2</sup></b>	
<b>Due Authority (negative amount)<sup>3</sup></b>	<b>343.12</b>
<i>Note: Send this report to Accounting even if the amount is \$0.</i>	

<sup>1</sup> Give names and business affiliations of any persons whose meals were paid by traveler.  
<sup>2</sup> Prepare Check Request  
<sup>3</sup> Attach personal check payable to SDCRAA

I as traveler or administrator acknowledge that I have read, understand and agree to Authority policies 3.40 - Travel and Lodging Expense Reimbursement Policy<sup>4</sup> and 3.30 - Business Expense Reimbursement Policy<sup>5</sup> and that any purchases/claims that are not allowed will be my responsibility. I further certify that this report of travel expenses were incurred in connection with official Authority business and is true and correct.

Prepared By: Kim Ayers Ext.: 2447  
 Traveler Signature:  Date: 4.24.17  
 Approved By: \_\_\_\_\_ Date: \_\_\_\_\_

**AUTHORITY CLERK CERTIFICATION ON BEHALF OF EXECUTIVE COMMITTEE** (To be certified if used by President/CEO, Gen. Counsel, or Chief Auditor)

I, \_\_\_\_\_ hereby certify that this document was approved by the Executive Committee at its \_\_\_\_\_ meeting.  
 (Please leave blank. Whoever clerk's the meeting will insert their name and title.)  
 (Leave blank and we will insert the meeting date.)

*Failure to attach required documentation will result in the delay of processing reimbursement. If you have any questions, please see your department Administrative Assistant or call Accounting at ext. 2806.*

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY**  
**OUT-OF-TOWN TRAVEL REQUEST**

**GENERAL INSTRUCTIONS:**

- A. All travel requests must conform to applicable provisions of Policies 3.30 and 3.40.
- B. Personnel travelling at Authority expense shall, consistent with the provisions of Policies 3.30 and 3.40, use the most economical means available to affect the travel.

**1. TRAVELER:**

Travelers Name: ANGELA SHAFER-PAYNE Dept: 51  
Position:  Board Member  President/CEO  Gen. Counsel  Chief Auditor  
 All other Authority employees (does not require executive committee administrator approval)

2. DATE OF REQUEST: 3/21/17 PLANNED DATE OF DEPARTURE/RETURN: 4/20/17 / 4/21/17

**3. DESTINATIONS/PURPOSE (Provide detailed explanation as to the purpose of the trip– continue on extra sheets of paper as necessary):**

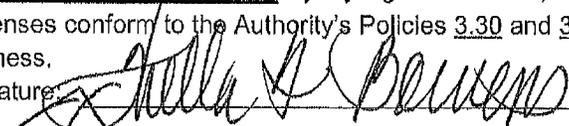
Destination: ARLINGTON, VA Purpose: ATTEND THE TSA INTEL BRIEFING FOR GATEWAY AIRPORTS COUNCIL  
Explanation: \_\_\_\_\_

**4. PROJECTED OUT-OF-TOWN TRAVEL EXPENSES**

**A. TRANSPORTATION COSTS:**

• AIRFARE	\$ 580.00
• OTHER TRANSPORTATION (Taxi, Train, Car Rental)	\$ 100.00
B. LODGING	\$ 350.00
C. MEALS	\$ 75.00
D. SEMINAR AND CONFERENCE FEES	\$
E. ENTERTAINMENT (If applicable)	\$
F. OTHER INCIDENTAL EXPENSES	\$
<b>TOTAL PROJECTED TRAVEL EXPENSE</b>	<b>\$ 1,105.00</b>

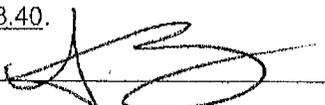
**CERTIFICATION BY TRAVELER** By my signature below, I certify that the above listed out-of-town travel and associated expenses conform to the Authority's Policies 3.30 and 3.40 and are reasonable and directly related to the Authority's business.

Travelers Signature:  Date: 3/21/17

**CERTIFICATION BY ADMINISTRATOR** (Where Administrator is the Executive Committee, the Authority Clerk's signature is required).

By my signature below, I certify the following:

- 1. I have conscientiously reviewed the above out-of-town travel request and the details provided on the reverse.
- 2. The concerned out-of-town travel and all identified expenses are necessary for the advancement of the Authority's business and reasonable in comparison to the anticipated benefit to the Authority.
- 3. The concerned out-of-town travel and all identified expenses conform to the requirements and intent of Authority's Policies 3.30 and 3.40.

Administrator's Signature:  Date: 3.23.17

**AUTHORITY CLERK CERTIFICATION ON BEHALF OF EXECUTIVE COMMITTEE**

I, \_\_\_\_\_, hereby certify that this document was approved  
(Please leave blank. Whoever clerk's the meeting will insert their name and title.)  
by the Executive Committee at its \_\_\_\_\_ meeting.  
(Leave blank and we will insert the meeting date.)



Traveltrust Corporation  
 374 North Coast Hwy 101, Suite F  
 Encinitas, CA 92024  
 Phone: (760) 635-1700

**ADD TO OUTLOOK**

Monday, 27MAR 2017 08:04 PM EDT

Passengers: ANGELA SHAFERPAYNE (51)

Agency Reference Number: YQUKKG

Click here to view your current Itinerary or ETicket receipt on-line: [tripcase.com](http://tripcase.com)

Delta Air Lines Confirmation G8L8FV

Please review your itinerary and report any discrepancies to Traveltrust within 24hrs of receipt  
 Be sure to visit [www.traveltrust.com](http://www.traveltrust.com) for additional travel information

TRAVELTRUST STRONGLY RECOMMENDS CHECKING IN  
 ONLINE WITH YOUR AIRLINE AT LEAST 24 HOURS PRIOR TO  
 EACH FLIGHT FOR THE MOST CURRENT TIMES AND ALERTS

<b>AIR</b>	<b>Thursday, 20APR 2017</b>	
<b>Delta Air Lines</b>	<b>Flight Number: 1430</b>	<b>Class: U-Coach/Economy</b>
<b>From: San Diego CA, USA</b>	<b>Depart: 02:00 PM</b>	
<b>To: Atlanta GA, USA</b>	<b>Arrive: 09:11 PM</b>	
<b>Stops: Nonstop</b>	<b>Duration: 4 hour(s) 11 minute(s)</b>	
<b>Seats: 29D</b>	<b>Status: CONFIRMED</b>	<b>Miles: 1888 / 3021 KM</b>
<b>Equipment: Boeing 757 Jet</b>	<b>MEAL: FOOD FOR PURCHASE</b>	
<b>DEPARTS SAN TERMINAL 2 - ARRIVES ATL SOUTH TERMINAL</b>		
<b>Frequent Flyer Number: [REDACTED]</b>		
<b>AISLE SEAT CONFIRMED</b>		
<b>Delta Air Lines Confirmation number is G8L8FV</b>		

<b>AIR</b>	<b>Thursday, 20APR 2017</b>	
<b>Delta Air Lines</b>	<b>Flight Number: 2612</b>	<b>Class: U-Coach/Economy</b>
<b>From: Atlanta GA, USA</b>	<b>Depart: 10:14 PM</b>	
<b>To: Washington Reagan Natl DC, USA</b>	<b>Arrive: 11:59 PM</b>	
<b>Stops: Nonstop</b>	<b>Duration: 1 hour(s) 45 minute(s)</b>	
<b>Seats: 13D</b>	<b>Status: CONFIRMED</b>	<b>Miles: 541 / 866 KM</b>
<b>Equipment: Airbus A320 Jet</b>	<b>MEAL: NO MEAL SVC</b>	
<b>DEPARTS ATL SOUTH TERMINAL - ARRIVES DCA TERMINAL B</b>		
<b>Frequent Flyer Number: [REDACTED]</b>		
<b>AISLE SEAT CONFIRMED</b>		
<b>Delta Air Lines Confirmation number is G8L8FV</b>		

<b>HOTEL</b>	<b>Thursday, 20APR 2017</b>	
<b>Residence INN Pentagon Marriott (RESIDENCE INN)</b>		
550 Army Navy Drive Arlington VA 22202		
<b>Number of Rooms: 1</b>	<b>Confirmation Number: 99197766</b>	
<b>Phone: 703-413-6630</b>	<b>Fax: 703-418-1751</b>	
<b>Rate: USD 242.00</b>	<b>Room GUARANTEED TO AMERICAN EXPRESS</b>	

Check Out: Friday, 21 APR 2017

Guaranteed to: AX\*\*\*\*\*  
Hotel cancellation policy: cancel 1 day prior to arrival date  
NONSMOKING KING  
Traveler is responsible for hotel charges if not cancelled

**AIR: Friday, 21 APR 2017**

<b>Delta Air Lines</b>	<b>Flight Number: 1627</b>	<b>Class: H-Coach/Economy</b>
<b>From:</b> Washington Reagan Natl DC, USA	<b>Depart:</b> 02:40 PM	
<b>To:</b> Minneapolis St PI MN, USA	<b>Arrive:</b> 04:37 PM	
<b>Stops:</b> Nonstop	<b>Duration:</b> 2 hour(s) 57 minute(s)	
<b>Seats:</b> 16D	<b>Status:</b> CONFIRMED	<b>Miles:</b> 918 / 1469 KM
<b>Equipment:</b> Airbus Jet	<b>MEAL:</b> REFRSHMNT/PUR	
DEPARTS DCA TERMINAL B - ARRIVES MSP TERMINAL 1 - LINDBERGH		
Frequent Flyer Number: *****		
AISLE SEAT CONFIRMED		
Delta Air Lines Confirmation number is G8L8FV		

**AIR: Friday, 21 APR 2017**

<b>Delta Air Lines</b>	<b>Flight Number: 0884</b>	<b>Class: H-Coach/Economy</b>
<b>From:</b> Minneapolis St PI MN, USA	<b>Depart:</b> 05:55 PM	
<b>To:</b> San Diego CA, USA	<b>Arrive:</b> 08:04 PM	
<b>Stops:</b> Nonstop	<b>Duration:</b> 4 hour(s) 9 minute(s)	
<b>Seats:</b> 17B	<b>Status:</b> CONFIRMED	<b>Miles:</b> 1524 / 2438 KM
<b>Equipment:</b> McDonnell Douglas MD-90 Jet	<b>MEAL:</b> FOOD FOR PURCHASE	
DEPARTS MSP TERMINAL 1 - LINDBERGH - ARRIVES SAN TERMINAL 2		
Frequent Flyer Number: *****		
AISLE SEAT CONFIRMED		
Delta Air Lines Confirmation number is G8L8FV		

THIS TICKET IS NON-REFUNDABLE AND MUST BE USED FOR THE FLIGHTS BOOKED. IF THE RESERVATION IS NOT USED OR CANCELLED BEFORE THE DEPARTURE OF YOUR FLIGHTS IT MAY HAVE NO VALUE. CONTACT TRAVELTRUST BEFORE YOUR OUTBOUND FLIGHT IF CHANGE IS NECESSARY. DELTA AIR LINES CONFIRMATION NUMBER - G8L8FV FOR EMERGENCY SERVICE FROM UNITED STATES - 888-221-6043

**Ticket/Invoice Information**

Ticket for: ANGELA SHAFERPAYNE  
Date issued: 3/27/2017 Invoice Nbr: 5418237  
Ticket Nbr: DL7958528470 Electronic Tkt: Yes Amount: 916.61 USD  
Base: 810.24 US Tax: 60.77 USD XT Tax: 45.60 USD  
Charged to: AX\*\*\*\*\*

Service fee: ANGELA SHAFERPAYNE  
Date issued: 3/27/2017  
Document Nbr: XD0702605334 Amount: 30.00  
Charged to: AX\*\*\*\*\*

Total Tickets: 916.61  
Total Fees: 30.00  
Total Amount: 946.61

Click here 24 hours in advance to obtain boarding passes:



Residence Inn by Marriott  
Arlington Pentagon City

550 Army Navy Drive  
Arlington, VA 22202  
T 703.413.6630

A. Shaferpayne

Room: 409  
Room Type: STDO  
Number of Guests: 1  
Rate: \$242.00      Clerk:

Arrive: 20Apr17      Time: 01:02AM      Depart: 21Apr17      Time:      Folio Number: 57087

Date	Description	Charges	Credits
20Apr17	Room Charge	242.00	
20Apr17	Occupancy Sales Tax	14.52	
20Apr17	County Tax	17.55	
21Apr17	American Express		274.07
	<i>Card #: AXXXXXXXXXXXXX-XXXX</i> <i>Amount: 274.07 Auth: 525950 Signature on File</i> <i>This card was electronically swiped on 21Apr17</i>		
	<b>Balance:</b>	<b>0.00</b>	

As a Rewards Member, you could have earned points toward your free dream vacation today. Start earning points and elite status, plus enjoy exclusive member offers. Enroll today at the front desk.

Want your final hotel bill by email? Just ask the Front Desk! See "Internet Privacy Statement" on Marriott.com.

**RECEIPTS FOR TRIP TO WASHINGTON, DC  
APRIL 21, 2017 - ANGELA SHAFER-PAYNE**



IKE'S FOOD & COCKTAILS MAIN  
MSP INTERNATIONAL AIRPORT

182140 Brent

225/1

439  
APR21'17 7:10PM

DINE IN

\*\*\*\* SEAT 1 \*\*\*\*  
1 SODA BAR M 3.29  
FIRST RND SFTBEV  
ICD TEA  
1 SAND CHIX BAC CH 15.40  
TAX 1.36 AMOUNT D 20.05  
\*\*\*\*\*  
SUBTOTAL 18.69  
TAX 1.36  
AMOUNT DUE \$20.05

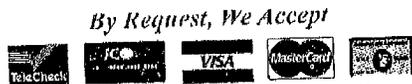
WE WANT TO HEAR YOUR FEEDBACK!  
PLEASE CONTACT 1-877-672-7467  
OR CUSTOMERSERVICE@HMSHOST.COM  
TO SHARE YOUR EXPERIENCE.

STOREID: MSPIKE1A \$23.05

+ 3 tip

**ALEXANDRIA UNION CAB  
(703)683-1200 - 24 Hr. Dispatch Service**

FROM DCA  
TO Residence Inn  
DATE 4.20 FARE \$ 15.00 + 3.00 tip  
DRIVER'S NAME \_\_\_\_\_ CAB# \_\_\_\_\_ \$18.00



By Request, We Accept  
Each Cab Independently Owned & Operated

DATE 4.21 AMOUNT \$ 8.00 + 2.00 tip  
RECEIVED FROM Residence Inn \$10  
FROM \_\_\_\_\_  
DESTINATION TSA  
CAB # \_\_\_\_\_ DRIVER I.D. # \_\_\_\_\_  
DRIVERS NAME \_\_\_\_\_

DATE 4.21 AMOUNT \$ 15.00 + 3.00 tip  
RECEIVED FROM \_\_\_\_\_ \$18  
FROM Residence Inn  
DESTINATION DCA  
CAB # \_\_\_\_\_ DRIVER I.D. # \_\_\_\_\_  
DRIVERS NAME \_\_\_\_\_

## TSA – GATEWAY AIRPORTS COUNCIL MEETING

Friday, April 21<sup>st</sup>, 2017  
9:00 AM -12:00 PM EDT

### Attendees:

#### **Industry Stakeholders**

Sean Donohue, *Chief Executive Officer, Dallas Fort Worth International Airport*

David Zielke, *Director, Air Service Development, Port of Portland*

Stanley Thornton, *Chief Operating Officer, Greater Orlando Aviation Authority*

Angela, Shafer-Payne, *Interim Chief Executive Officer, San Diego County Regional Airport Authority*

Rochelle Cameron, *Chief Executive Officer, City of Philadelphia*

Paul Malandrino, *Airport Director – Ronald Reagan Washington National Airport, Metropolitan Washington Airports Authority*

Ivar Satero, *Airport Director, San Francisco Airport Commission*

#### **TSA**

Gary Rasicot, *Chief of Operations*

Tom Bush, *Assistant Administrator, Office of Intelligence & Analysis*

John Beattie, *Deputy Assistant Administrator, Office of Intelligence & Analysis*

Darby LaJoye, *Assistant Administrator, Office of Security Operations*

Stacey Fitzmaurice, *Deputy Assistant Administrator, Office of Security Operations*

Paul Leyh, *Director of Compliance, Office of Security Operations*

Eddie Mayenschein, *Assistant Administrator, Office of Security Policy & Industry Engagement*

Victoria Newhouse, *Deputy Assistant Administrator, Office of Security Policy & Industry Engagement*

Aaron Roth, *Chief of Staff to the Chief of Operations*

## Agenda:

- |                            |  |
|----------------------------|--|
| <b>9:00 AM– 9:15 AM</b>    | Clearance Read-Ons                       |
| <b>9:15 AM– 9:30 AM</b>    | Welcome Remarks—Roundtable Introductions |
| <b>9:30 AM– 10:30 AM</b>   | Threat Briefing and Tour of Watch        |
| <b>10:30 AM – 11:00 AM</b> | Briefing on Outcome Focused Compliance   |
| <b>11:00 AM – 11:30 AM</b> | Roundtable Discussion                    |
| <b>11:30 AM – 12:00 PM</b> | Tour of Airport Operations Center        |

# **BUSINESS EXPENSE**

**APRIL BOLING**



**ANGELA SHAFER-PAYNE**

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY  
BUSINESS EXPENSE REIMBURSEMENT REPORT**

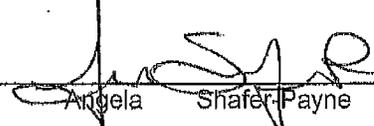
April 2017

Period Covered

DATE	G/L Account	Description	AMOUNT
4/8/2017	66290	Parking for Port Tenants Assn Dinner	\$ 12.00
<p>THANK YOU STATION SAN DIEGO MARINA TOWER</p> <p>04/08/2017 11:22AM 00000#0532 CLERK01</p> <p><b>*COPY*</b> PAYMENT DUE \$12.00</p> <p>ITEMS 10 CASH \$12.00</p>			
TOTAL			\$12.00

I acknowledge that I have read, understand and agree to Authority \*Policy 3.30 - Business Expense Reimbursement Policy and that any purchases that are not allowed will be my responsibility. I further certify that this report of business expenses were incurred in connection with official Authority business and is true and correct.

\* Policy 3.30

NAME  Angela Shafer-Payne

DATE 4/27/2017

APPROVED:

NAME

DATE