

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
SPECIAL BOARD AND
EXECUTIVE AND FINANCE COMMITTEE MEETING MINUTES
MONDAY, MARCH 27, 2017
BOARD ROOM**

CALL TO ORDER: Chairman Boling called the Special Board and Executive and Finance Committee Meeting to order at 9:01 a.m., on Monday, March 27, 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 Desmond led the pledge of allegiance.

ROLL CALL:

Board

Present: Board Members: Boling (Chairman), Cox, Desmond, Gleason, Janney, Robinson, Schumacher, Sessom

Absent: Board Members: Berman (Ex-Officio), Kersey, Ortega (Ex-Officio), Woodworth (Ex-Officio)

Executive Committee

Present: Committee Members: Boling (Chairman), Janney, Robinson

Absent: Committee Members: None

Finance Committee

Present: Committee Members: Boling (Chairman), Cox, Janney, Sessom

Absent: Committee Members: None

Board Member Sessom arrived during the course of the meeting.

NON-AGENDA PUBLIC COMMENT: None.

NEW BUSINESS:

1. APPROVAL OF MINUTES:

RECOMMENDATION: Approve the minutes of the February 21, 2017 regular meeting.

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

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

FINANCE COMMITTEE

NEW BUSINESS:

2. REVIEW OF THE UNAUDITED FINANCIAL STATEMENTS FOR THE EIGHT MONTHS ENDED FEBRUARY 28, 2017:

Scott Brickner, VP, Financial and Asset Management/Treasurer; and Kathy Kiefer, Senior Director, Finance and Asset Management provided a presentation on the Unaudited Financial Statements for the Eight Months Ended February 28, 2017, which included Gross Landing Weight Units, Enplanements, Car Rental License Fees, Food and Beverage Concessions Revenue, Retail Concessions Revenue, Total Terminal Concessions, Parking Revenue, Operating Revenues for the Month Ended February 28, 2017, Operating Expenses for the Month Ended February 28, 2017, Financial Summary for the Month Ended February 28, 2017, Nonoperating Revenues & Expenses for the Month Ended February 28, 2017, Operating Revenues for the Eight Months Ended February 28, 2017, Operating Expenses for the Eight Months Ended February 28, 2017, Financial Summary for the Eight Months Ended February 28, 2017, Nonoperating Revenues & Expenses for the Eight Months Ended February 28, 2017, and Statements of Net Position.

3. REVIEW OF THE AUTHORITY'S INVESTMENT REPORT AS OF FEBRUARY 28, 2017:

Geoff Bryant, Manager, Airport Finance, provided a presentation on the Authority's Investment Report as of February 28, 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.

4. APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE AN AGREEMENT WITH FRASCA & ASSOCIATES, LLC FOR FINANCIAL ADVISORY SERVICES:

John Dillon, Director, Financial Management, provided a presentation on the Approval and Authorization of the President/CEO to Execute an Agreement with Frasca & Associates, LLC for Financial Advisory Services which included Background, Selection Criteria, Request for Proposal Results and Recommendation.

RECOMMENDATION: Forward this item to the Board for approval.

ACTION: Moved by Board Member Cox and seconded by Board Member Janney to approve staff's recommendation. Motion carried unanimously, noting Board Member Sessom as ABSENT.

5. AUTHORIZATION OF A SUBORDINATE REVOLVING DRAWDOWN BOND PROGRAM WITH RBC CAPITAL MARKETS, LLC OF UP TO \$100,000,000 AND AN EXTENSION OF AN AMENDMENT TO THE EXISTING US BANK \$125,000,000 REVOLVING CREDIT AGREEMENT:

Board Member Gleason announced that he is recusing himself from this item because he has a deep business banking relationship with City National Bank, an affiliate of one of these institutions.

Board Member Gleason left the dais.

John Dillon, Director, Financial Management provided a presentation on Revolving Credit Variable Rate Program which included Rational for a Short-term Variable Rate Debt Program, Authority's Existing Revolving Line of Credit, Variable Debt Capacity Requirements, Request for Proposal Results, Revolving Drawdown Bonds, Documents, and Recommendation.

RECOMMENDATION: Forward this item to the Board for approval.

ACTION: Moved by Board Member Cox and seconded by Board Member Schumacher to approve staff's recommendation. Motion carried unanimously, noting Board Member Gleason's Recusal and Board Member Sessom as ABSENT.

Board Member Gleason returned to the dais.

EXECUTIVE COMMITTEE

NEW BUSINESS:

6. PRE-APPROVAL OF TRAVEL REQUESTS AND APPROVAL OF BUSINESS AND TRAVEL EXPENSE REIMBURSEMENT REQUESTS FOR BOARD MEMBERS, THE PRESIDENT/CEO, THE CHIEF AUDITOR AND GENERAL COUNSEL:

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

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

REVIEW OF FUTURE AGENDAS:

7. REVIEW OF THE DRAFT AGENDA FOR THE APRIL 6, 2017 BOARD MEETING:

Thella F. Bowens, President/CEO provided an overview of the draft agenda for the April 6, 2017 Board Meeting.

Chairman Boling requested that Item 4, April Legislative Report, be moved to "New Business" and that the Board receive an update.

In response to Board Member Desmond regarding the status of the response to the letter sent by the Hotel Del Coronado, Thella Bowens, President/CEO, stated that staff is working with Board Member Janney to respond to the letter.

8. REVIEW OF THE DRAFT AGENDA FOR THE APRIL 6, 2017 AIRPORT LAND USE COMMISSION MEETING:

Thella F. Bowens, President/CEO provided an overview of the draft agenda for the April 6, 2017 ALUC Meeting.

CLOSED SESSION: The Board recessed into Closed Session to discuss Items 11 and 12 at 9:48 a.m.

Board Member Sessom arrived at 10:20 a.m.

11. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:

(Significant exposure to litigation pursuant to Cal. Gov. Code §§ 54956.9(d)(2))
Re: Navy Boat Channel
Number of potential cases: 1

12. PUBLIC EMPLOYEE APPOINTMENT:

Cal. Gov. Code §54957
Title: President/Chief Executive Officer

REPORT ON CLOSED SESSION: The Board reconvened into Open Session at 10:21 a.m. In regards to Item 11, Amy Gonzalez, General Counsel reported that the Board provided direction to staff.

BOARD

Chairman Boling recognized Thella Bowen's for her service to the Authority.

NEW BUSINESS:

10. APPOINTMENT OF THE PRESIDENT & CEO AND AUTHORIZATION TO NEGOTIATE A CONTRACT:

Chairman Boling reported that the Board wishes to appoint Kimberly Becker as President/CEO beginning May 1, 2017 for a period of 3 years and 2 months with the option to renew contract for two 1-year periods and automatic renewal on June 30th at the end of each contract term without any action by either party unless notice is given 6 months prior to termination date of intent not to renew; that the base salary of \$280,000 would be adjusted on July 1 of each year except July 1, 2017 based on the percentage increase in CPI; that no single increase shall exceed 5%; that the Board may award a discretionary bonus up to 10% of

base salary in any 12 month period and that senior executive standard benefits apply which include, car allowance of \$750 per month, participation in SDCERS retirement plan and 8.5% Authority contribution, 401(a) deferred compensation Authority contribution of \$5,000 per year, paid time off, health and life insurance, holidays, and other fringe benefits; that the employment is "at will," and that if termination is not "for cause" or the Executive terminates employment for "good reason", Executive will receive upon execution of a mutually agreeable release, a severance equal to the lesser of (a) 1 year of base salary or (b) the number of months of the then-remaining term; that temporary housing would be provided for 3 months, supported by receipts and not to exceed \$15,000; that any extension would need to be approved by the Board; and that actual relocation expenses are not to exceed \$8,000 and are to be supported by receipts.

RECOMMENDATION: Adopt Resolution No. 2017-0023, appointing the President/CEO and authorizing the General Counsel to negotiate an employment contract.

ACTION: Moved by Chairman Boling and seconded by Board Member Robinson to approve the appointment of Kimberly Becker as President/CEO of the San Diego County Regional Airport Authority; authorizing preparation of contract substantially in accordance with the proposed terms above; authorizing the General Counsel and outside counsel to prepare employment agreement and approve as to legal form; and authorizing the Chairman of the Board to execute the contract on behalf of the Authority. Motion carried by the following Vote: YES – Boling, Cox, Desmond, Gleason, Janney, Robinson, Schumacher; Sessom; NO – None; ABSENT – Kersey (Weighted Vote Points: YES – 87; NO – 0; ABSENT – 13).

Chairman Boling introduced Kimberly Becker as the new President/CEO. Ms. Becker thanked the Board, and commended Ms. Bowens for her leadership at the Airport and in the industry. She stated that she is looking forward to working with and getting to know the staff and recognized them for their reputation for innovation.

9. APPOINTMENT OF AN INTERIM PRESIDENT/CEO:

Chairman Boling reported that during the period of time between Thella F. Bowens' departure and the arrival of Kimberly Becker, the new President/CEO, the Board believes it is in the best interest of the Authority for Angela Shafer-Payne to act as the President/CEO. She stated that Ms. Shafer-Payne has served in the role of Vice President of Operations of the Airport Authority since its inception in 2003 and that prior to 2003, she served in the Aviation Division of the San Diego Unified Port District ("Port") when the Airport was operated by the Port. She also stated that Ms. Shafer-Payne is eminently qualified to serve in the role of Interim President/CEO until Ms. Becker begins her term as President/CEO.

Chairman Boling stated the terms of the appointment begins April 1, 2017 and ends May 1, 2017 with all of the powers and duties of the President/CEO as set forth in Authority Policy 1.40 and adopted Board resolutions; that a temporary increase in Ms. Shafer-Payne's salary be made while she serves as the Interim President/CEO to a total sum of \$276,596 which shall begin on April 1, 2017 and shall revert to her current salary for her position as the Authority's Vice President of Operations on May 1, 2017.

KAMRAN HAMIDI, SAN DIEGO, spoke regarding needed Taxi and TNC operational improvements at the Airport.

RECOMMENDATION: Adopt Resolution No. 2017-0022, appointing an interim President /CEO.

ACTION: Moved by Chairman Boling and seconded by Board Member Gleason to approve the appointment of Angela Shafer-Payne as Interim President/CEO of the San Diego County Regional Airport Authority under the terms outlined above. Motion carried by the following Vote: YES – Boling, Cox, Desmond, Gleason, Janney, Robinson, Schumacher; Sessom; NO – None; ABSENT – Kersey (Weighted Vote Points: YES – 87; NO – 0; ABSENT – 13).

BOARD AND COMMITTEE MEMBER COMMENTS: None.

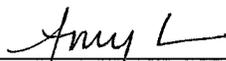
ADJOURNMENT: The meeting was adjourned at 10:43 a.m.

APPROVED BY A MOTION OF THE BOARD OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY THIS 4th DAY OF MAY, 2017.



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

APPROVED AS TO FORM:



AMY GONZALEZ
GENERAL COUNSEL