

**DRAFT
SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
SPECIAL BOARD AND EXECUTIVE AND FINANCE COMMITTEE MEETING
MINUTES
MONDAY, JUNE 27, 2011
SAN DIEGO INTERNATIONAL AIRPORT
BOARD ROOM**

CALL TO ORDER

Vice Chair Smisek called the Special Board and Executive and Finance Committee meeting to order at 9:06 a.m., Monday, June 27, 2011, in the Board Room of the San Diego International Airport, Commuter Terminal, 3225 N. Harbor Drive, San Diego, CA 92101.

PLEDGE OF ALLEGIANCE

Board Member Boland led the Pledge of Allegiance.

ROLL CALL

Board

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

Executive Committee

Present:	Committee Members:	Cox, Smisek
Absent:	Committee Members:	Gleason

Finance Committee

Present:	Committee Members:	Cox, Panknin, Robinson
Absent:	Committee Members:	Young

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

SPECIAL BOARD

1. DISCUSSION AND POSSIBLE ACTION REGARDING MINIMUM GROUND TRANSPORTATION FEES:

Vernon Evans, Vice President, Finance/Treasurer, provided a presentation on the Ground Transportation Cost Recovery Program, which included Cost Recovery Calculation, Cost Recovery Fee Calculation FY 2009 & FY 2010, and Cost Recovery Details.

Board Member Panknin stated that the fee should remain at \$100 for the charter industry if it's their fair share.

In response to Board Member Cox in regards to how the \$200 permit fee is calculated, Mr. Evans stated that the fee is an average processing fee that includes all modes of transportation. He stated that the reason the cost allocation for the charter industry is so low is because they account for less than one percent of the overall allocation. He stated that the proposed \$100 fee is 100 percent of their actual cost.

Vice Chair Smisek suggested that the Board stay with the current formula because of how the calculation was done.

Thella F. Bowens, President/CEO, stated that the current resolution needs to be clarified to address the requirement that no entity be charged less than \$200. She stated that if the Board wishes to stick with the allocation method, the resolution should be clarified to state that they should be paying the actual cost or a percentage of the cost as allocated for that year.

RECOMMENDATION: Provide direction to staff.

ACTION: Moved by Board Member Boland and seconded by Board Member Cox to continue the current allocation method for the charter industry and eliminate the minimum \$200 requirement in the previous resolution. Motion carried unanimously, noting Board Members Desmond, Gleason and Young as ABSENT.

FINANCE COMMITTEE NEW BUSINESS

2. REVIEW OF THE UNAUDITED FINANCIAL STATEMENTS FOR THE ELEVEN MONTHS ENDED MAY 31, 2011:

Kathy Kiefer, Director, Accounting, provided a presentation on the Unaudited Financial Statements for the Eleven Months Ended May 31, 2011, which included Enplanements, Gross Landing Weight Units, Airport Parking Transactions, Parking Revenue by Lot, Car Rental License Fees, Operating Revenues for the Month Ended May 31, 2011, Operating Expenses for the Month Ended May 31, 2011, Nonoperating Revenues and Expenses for the Month Ended May 31, 2011, Monthly Operating Revenue FY 2011, Monthly Operating Expenses FY 2011, Financial Summary for the Eleven Months Ended May 31, 2011, Balance Sheets, and Liabilities and Net Assets.

RECOMMENDATION: Receive the report.

3. REVIEW OF THE AUTHORITY'S INVESTMENT REPORT AS OF MAY 31, 2011:

Scott Brickner, Director, Financial Planning & Budget, provided a presentation on the Authority's Investment Report as of May 31, 2011, which included the Total Portfolio Summary, Portfolio Composition by Security Type, Portfolio Composition by Credit Rating, Portfolio Composition by Maturity Distribution, Benchmark Comparison, and Bond Proceeds Summary.

Mr. Brickner also provided a presentation on the Analysis of the Caltrust Fund as a Potential Investment Option for Authority Funds, which included Analysis of Caltrust Funds for Investment, Caltrust Heritage Money Market Fund, Caltrust Heritage Short-Term Fund, and a Summary of Pros and Cons.

Board Member Cox noted that it might be useful to have a short term fund added to the policy as an alternative investment fund.

RECOMMENDATION: Receive the report.

4. REVIEW AND APPROVAL OF AMENDMENTS TO AUTHORITY POLICY 4.40 – DEBT ISSUANCE AND MANAGEMENT:

Vernon Evans, Vice President, Finance/Treasurer, provided a presentation on the Review and Approval of Amendments to Authority Policy 4.40 – Debt Issuance and Management, which included the Debt Issuance and Management Policy, Objectives, Debt Policy – Amendments, and Action Requested.

RECOMMENDATION: Forward this item to the Board for approval.

ACTION: Moved by Board Member Robinson and seconded by Board Member Panknin to forward this item to the Board for approval. Motion carried unanimously, noting Board Member Young as ABSENT.

EXECUTIVE COMMITTEE NEW BUSINESS

5. APPROVAL OF MINUTES:

RECOMMENDATION: Approve the minutes of the May 23, 2011 Special Committee Meeting.

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

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 Cox and seconded by Vice Chair Smisek to approve staff's recommendation. Motion carried unanimously, noting Chair Gleason as ABSENT.

REVIEW OF FUTURE AGENDAS

7. REVIEW OF THE DRAFT AGENDA FOR THE JULY 7, 2011 BOARD MEETING:

Thella F. Bowens, President/CEO, presented the draft agenda for the July 7, 2011 Special Board Meeting.

Ms. Bowens requested that Item 18, regarding an Exclusive Use Agreement with MCRD, be removed from the agenda.

8. REVIEW OF THE DRAFT AGENDA FOR THE JULY 7, 2011 AIRPORT LAND USE COMMISSION MEETING:

Thella F. Bowens, President/CEO, provided an overview of the draft agenda for the July 7, 2011 Special Airport Land Use Commission meeting.

In response to Board Member Robinson regarding the inconsistent determination for Item 5 at 9210 Scranton Road, Angela Shafer-Payne, Vice President, Planning & Operations, stated that the project is located in the Crash Hazard Zone, and the Military is opposed to a restaurant being built in the location.

ACTION: Moved by Board Member Cox and seconded by Vice Chair Smisek to approve Items 7 and 8 as amended. Motion carried unanimously, noting Chair Gleason as ABSENT.

GENERAL COUNSEL REPORT:

BOARD COMMENT:

ADJOURNMENT

The meeting was adjourned at 10:00 a.m. The next meeting of the Executive and Finance Committee will be held on Monday, July 25, 2011 at 9:00 a.m. in the Board Room at the San Diego International Airport, Commuter Terminal, 3225 N. Harbor Drive, San Diego, CA 92101.

APPROVED BY A MOTION OF THE EXECUTIVE COMMITTEE THIS 25th DAY OF JULY, 2011.

TONY R. RUSSELL
DIRECTOR, CORPORATE SERVICES/
AUTHORITY CLERK

APPROVED AS TO FORM:

BRETON K. LOBNER
GENERAL COUNSEL