

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
SPECIAL EXECUTIVE/FINANCE COMMITTEE MINUTES
MONDAY, APRIL 26, 2010
SAN DIEGO INTERNATIONAL AIRPORT
BOARD ROOM**

CALL TO ORDER

Chair Gleason called the special Meeting of the Executive/Finance Committee and Special Board Meeting to order at 9:00 a.m., Monday, April 26, 2010, in the Board Room of the San Diego International Airport, Commuter Terminal, 3225 N. Harbor Drive, San Diego, CA 92101.

PLEDGE OF ALLEGIANCE

Board Member Desmond led the Pledge of Allegiance.

ROLL CALL

Executive Committee

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

Finance Committee

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

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

PUBLIC COMMENT – None

NEW BUSINESS

1. **APPROVAL OF MINUTES:**
RECOMMENDATION: Approve the minutes of the March 22, 2010 Committee Meeting.

ACTION: Moved by Board Member Smisek and seconded by Board Member Cox to approve the minutes of the March 22, 2010 Committee meeting. Motion carried unanimously.

EXECUTIVE COMMITTEE NEW BUSINESS

7. PROVIDE DIRECTION TO STAFF ON STRUCTURE, COMPOSITION, AND WORK PLAN FOR AUTHORITY ADVISORY COMMITTEE:

Matt Harris, Senior Director, Executive Office, provided a report on the Structure, Composition, and Work Plan for the Authority Advisory Committee.

Board Member Young arrived at 9:10 a.m.

RICK BEACH, SAN DIEGO, expressed concern regarding the suggested process and the substantive changes to the Advisory Committee structure.

JOHN HAWKINS, SAN DIEGO, suggested that this issue be discussed by the Advisory Committee leadership and that it be presented to the Advisory Committee membership for input.

Thella F. Bowens, President/CEO, noted that the Advisory Committee has not discussed this issue yet as she was directed to have the Executive Committee hear it first and provide their input. She stated that this issue arose at the last Board Retreat, and appropriate structures for the Committee were discussed. She stated that direction was given to have the Advisory Committee be a smaller and more directed Committee, but no direction was given regarding a range of thinking.

Board Member Panknin expressed opposition to Option #1, which would reduce voting membership to one member from each category. He stated that the Committee is an important tool, and each member of the Committee should be empowered. He spoke in support of eliminating the need for a quorum to take a vote and suggested that a hybrid of both options be presented to the Board for further discussion.

Board Member Cox suggested that this issue be sent back to the Advisory Committee for input. He also suggested keeping the larger group intact, and having an Executive Committee, which would be more structured.

Board Member Smisek stated that hearing diverse opinions is very valuable. He suggested that focus groups could be formed to hone in on specific issues, and having a Board representative on the Committee.

In response to Board Member Young regarding the fiscal impact of Committee meetings, Ms. Bowens stated that previously, there was a fiscal impact because the meetings were held offsite, but that future meetings would be held on the second floor of the Commuter Terminal.

Board Member Young expressed concern that the Committee membership is too large. He stated that it is more important to have key individuals providing adequate representation from the community to address policy issues.

Board Member Desmond suggested that the size of the Committee be reduced. He stated that he does not see a need for a vote or quorum of the Committee, and stated that range of thinking would be beneficial. He stated that the Committee's suggestions should be forwarded directly to the Board.

Chair Gleason stated that it would be helpful for the Committee to discuss this issue and come up with something that works. He suggested that a solution could be a larger committee that meets on a less frequent basis and a smaller group that is able to meet more frequently. He stated that an order of magnitude of thinking is needed, and that the Advisory Committee have the Board's work plan so they are aware of upcoming issues. He suggested a smaller working group and favored having the Committee report directly to the Board.

RECOMMENDATION: Provide direction to staff.

FINANCE COMMITTEE NEW BUSINESS

2. REVIEW OF THE UNAUDITED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED MARCH 31, 2010:

Vernon Evans, Vice President, Finance/Treasurer, provided a presentation on the Unaudited Financial Statements for the Nine Months Ended March 31, 2010, which included Enplanements, Gross Landing Weight Units, Airport Parking Transactions, Car Rental License Fees, Revenues and Expenses, Operating Revenues, Operating Expenses, Monthly Operating Revenue, Monthly Operating Expense, Financial Summary, Nonoperating Revenues, Balance Sheets, Liabilities and Net Assets, and Trended Financial Statements.

RECOMMENDATION: Receive the report.

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

3. REVIEW OF THE AUTHORITY'S INVESTMENT REPORT AS OF MARCH 31, 2010:

Vernon Evans, Vice President, Finance/Treasurer, provided a presentation on the Authority's Investment Report, which included the Total Portfolio Summary, Portfolio Composition by Security Type, Portfolio Maturity Distribution, and Benchmark Comparison.

RECOMMENDATION: Receive the report.

4. REVIEW OF THE SUMMARY OF OUTSTANDING COMMERCIAL PAPER:

Scott Brickner, Director, Financial Planning & Budget, provided a presentation on the Summary of Outstanding Commercial Paper.

RECOMMENDATION: Receive the report.

5. ADOPTION OF AUTHORITY POLICY 4.40 DEBT ISSUANCE AND MANAGEMENT POLICY:

Vernon Evans, Vice President, Finance/Treasurer, provided a presentation on the Adoption of Authority Policy 4.40 – Debt Issuance and Management Policy, which included Objectives in Establishing Debt Policies, Responsible Parties, Capital and Financial Planning, Various Types of Planning, Variable Rate Debt, and Method for Sale of Debt.

In response to Board Member Young regarding internal oversight to ensure best practices, Mr. Evans stated that oversight is provided by the financial advisors and the bond counsel.

Thella F. Bowens, President/CEO, stated that staff works closely with outside bond counsel and the General Counsel's office.

Board Member Young requested that a representative from bond counsel be present at the Board Meeting.

Board Member Gleason suggested that a disclosure working group be formed for transparency and input.

RECOMMENDATION: Forward this item to the Board for approval.

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

6. **SELECTION OF DEBT UNDERWRITERS FOR THE CAPITAL IMPROVEMENT PROGRAM/TERMINAL DEVELOPMENT PROGRAM:**
Vernon Evans, Vice President, Finance/Treasurer, provided a presentation on the Selection of Debt Underwriters for the Capital Improvement Program/Terminal Development Program, which included the Goals of the Selection Process, Selection Criteria, The Selection Process, the Selection Panel, and Result: A Pool of Six Firms to Serve the Authority.

In response to Board Member Panknin regarding how the team will be utilized, Mr. Evans stated that one firm will be selected as the senior manager, with the rest as co-managers. He stated that a new manager will be selected with each bond offer.

Board Member Gleason requested that more detail on the selection process be provided in the staff report for this item at the Board Meeting.

RECOMMENDATION: Forward this item to the Board for approval.

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

8. **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 Services/Authority Clerk, provided an overview of the staff report.

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

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

REVIEW OF FUTURE AGENDAS

9. **REVIEW OF THE DRAFT AGENDA FOR THE MAY 6, 2010 BOARD MEETING:**
Thella F. Bowens, President/CEO, provided an overview of the draft agenda for the May 6, 2010 Board Meeting.

Tony R. Russell, Director, Corporate Services/Authority Clerk, stated that the quarterly financials presented today would be forwarded to the Board.

Board Member Desmond suggested that an item be added to the agenda regarding the policy change on pension funding discussed at the last Executive Personnel & Compensation Committee Meeting.

Mr. Russell stated that an item would be added to the agenda regarding selection of a construction auditor, which will be heard at the May 3, 2010 Audit Committee Meeting.

10. REVIEW OF THE DRAFT AGENDA FOR THE MAY 6, 2010 AIRPORT LAND USE COMMISSION MEETING:

Thella F. Bowens, President/CEO, provided an overview of the draft agenda for the May 6, 2010 Airport Land Use Commission Meeting agenda.

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

PRESIDENT/CEO REPORT

Thella F. Bowens, President/CEO, commended staff on their performance during a major fuel spill in front of the Commuter Terminal.

NON-AGENDA PUBLIC COMMENT – None

COMMITTEE MEMBER COMMENTS

ADJOURNMENT


The meeting was adjourned at 11:03 a.m. The next meeting will be held on May 24, 2010, at 9:00 a.m. in the Board Room at the San Diego International Airport, Commuter Terminal, 3225 N. Harbor Drive, San Diego, CA 92101.

APPROVED BY A MOTION OF THE EXECUTIVE COMMITTEE THIS 24th DAY OF MAY, 2010.



TONY R. RUSSELL
DIRECTOR, CORPORATE SERVICES/
AUTHORITY CLERK

APPROVED AS TO FORM:



BRETON K. LOBNER
GENERAL COUNSEL