

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
EXECUTIVE/FINANCE COMMITTEE MINUTES
MONDAY, MAY 24, 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 9:01 a.m., Monday, May 24, 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 Panknin led the Pledge of Allegiance.

ROLL CALL

Executive Committee

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

Finance Committee

Present:	Committee Members:	Cox, Finnila, Panknin, Young
Absent:	Committee Members:	None

Also Present: Thella F. Bowens, President/CEO; Breton K. Lobner, General Counsel; Deborah Harrington, Temporary Assistant Authority Clerk II; Sara Real, Assistant Authority Clerk I

PUBLIC COMMENT

LISA MCGHEE, SAN DIEGO, stated that the taxis are the group that will be most impacted by the new ground transportation fees.

NEW BUSINESS

- 1. APPROVAL OF MINUTES:**
RECOMMENDATION: Approve the minutes of the April 26, 2010 Committee Meeting.

ACTION: Moved by Board Member Smisek and seconded by Board Member Cox to approve the minutes of the April 26, 2010 Committee meeting. Motion carried unanimously.

FINANCE COMMITTEE NEW BUSINESS

2. REVIEW OF THE UNAUDITED FINANCIAL STATEMENTS FOR THE TEN MONTHS ENDED APRIL 30, 2010:

Vernon Evans, Vice President, Finance/Treasurer, provided a presentation on the Unaudited Financial Statements for the Ten Months Ended April 30, 2010, which included Enplanements, Gross Landing Weight Units, Airport Parking Transactions, Car Rental License Fees, Operating Revenues for the Month Ended April 30, 2010, Operating Expenses for the Month Ended April 30, 2010, Monthly Operating Revenue, Financial Summary, Balance Sheets, Trended Financial Statements, and Nonoperating Revenues for the Ten Months Ended April 30, 2010.

Dave Boenitz, Director, Business Planning, provided a presentation on Key Performance Indicators, which included Enterprise Excellence, Performance Measurement, Authority EONS Database, and Economic/Financial Viability.

Chair Gleason stated that the Key Performance Indicators presentation was not received in advance of the meeting and was not made available to the public. He stated that this is not acceptable.

RECOMMENDATION: Receive the report.

3. REVIEW OF THE AUTHORITY'S INVESTMENT REPORT AS OF APRIL 30, 2010:

Vernon Evans, Vice President, Finance/Treasurer, provided a presentation on the Authority's Investment Report as of April 30, 2010, which included the Total Portfolio Summary, Portfolio Composition by Security Type, Portfolio Maturity Distribution, and Benchmark Comparison.

RECOMMENDATION: Receive the report.

ACTION: Moved by Board Member Young and seconded by Board Member Panknin to receive the reports for Items 2 and 3. Motion carried unanimously.

4. REVIEW OF THE SUMMARY OF OUTSTANDING COMMERCIAL PAPER:

Scott Brickner, Director, Financial Planning & Budget, provided the summary of Outstanding Commercial Paper.

RECOMMENDATION: Receive the report.

ACTION: Moved by Board Member Young and seconded by Board Member Panknin to receive the report. Motion carried unanimously.

5. ANNUAL REVIEW AND UPDATE OF AUTHORITY POLICY 4.20 - GUIDELINES FOR PRUDENT INVESTMENT – AND DELEGATION OF AUTHORITY TO INVEST AND MANAGE AUTHORITY FUNDS TO THE TREASURER:

Vernon Evans, Vice President, Finance/Treasurer, provided a presentation on the Annual Review and Update of Authority Policy 4.20 – Guidelines for Prudent Investments, which included the Investment Policy, Investment Policy Amendments, Delegation of Investment Authority, and Board Action Requests.

In response to Board Member Young regarding the benefits of keeping the Authority's investments local, Mr. Evans stated that we evaluate local investments, however our first priority is to keep the portfolio safe, liquid and best yield in that order.

In response to Board Member Cox regarding the statutory limit for the Local Agency Investment Fund (LAIF), Scott Brickner, Director, Financial Planning & Budget, stated that the Authority is allowed to invest in pools up to the limit set by LAIF.

Board Member Finnila expressed concern regarding the 30% investment in certificates of deposit.

Breton Lobner, General Counsel, noted that he worked with staff on this item so that the provisions in the code could be modified to illustrate how investments can be made and the allowable maximum percentage. Regarding LAIF and the other pools, he stated that the government code restricts the Authority assets to 40% between all the pools.

RECOMMENDATION: Forward this item to the Board for approval.

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

6. DISCUSSION AND POSSIBLE DIRECTION REGARDING THE PROPOSED FISCAL YEAR 2011/2012 OPERATING BUDGETS AND THE FIVE YEAR CAPITAL IMPROVEMENT PROGRAM:

Vernon Evans, Vice President, Finance/Treasurer, provided a presentation on the Proposed Fiscal Year 2011/2012 Operating Budgets and the Five Year Capital Improvement Program, which included Enplaned Passengers Long Term Projections, SDIA Passenger Traffic, SDIA Landed Weight, FY 2011 and FY 2012 Revenue Summary, Increased Airline Cost per Enplaned Passenger, and Cash Usage of Projected Net Income.

Thella F. Bowens, President/CEO, noted that some forecasts are done on the fiscal year and some on the calendar year, and an average of the low forecasts is used.

Board Member Panknin expressed concern about the confusion during the vote at the January Board meeting on the Ground Transportation Management Plan (GTMP). He suggested that the revenue associated with the plan be removed from the budget until the issue is resolved.

In response to Board Member Robinson regarding the potential impact of removing the GTMP from the proposed budget, Mr. Evans stated that the impact will be approximately \$800,000.

Chair Gleason expressed concern with some of the fees in the Ground Transportation Management Plan.

Board Member Young suggested that all Board Members with concerns regarding the ground transportation fees should outline their concerns in a memo and circulate it to the Board. He stated that any revisiting of this issue should be approached with caution, with a limited scope of discussion.

Board Member Finnilla stated that there was a lot of discussion regarding the Ground Transportation Management Plan during the January Board Meeting and each item was addressed.

Board Member Smisek stated that there was some confusion regarding what was approved in regards to the Ground Transportation Management Plan, and he would be more comfortable if the issues were resolved.

Board Member Robinson disclosed ex parte communications with the Off Airport Parking Association. He further expressed concern regarding the ground transportation fees.

Board Member Cox disclosed ex parte communications with the Off Airport Parking Association.

Breton Lobner, General Counsel, reminded the Board that the Authority entered into a Memorandum of Agreement with the California Attorney General to begin replacing the current vehicles with electric vehicles, and that is one of the main drivers of this issue.

Chair Gleason stated that staff needs to re-clarify where we are in respect to the Ground Transportation Management Plan. He stated that a concession plan was not approved, but it is expected that staff would bring back concepts regarding concessions in the fall.

Board Member Finnila requested that the General Counsel review the ground transportation issue and provide the Board with some clarifying information so the budget can move forward. She further stated that staff should provide a summary of what has transpired with this issue, and the item should be placed on a future agenda.

RECOMMENDATION: Provide direction to staff.

EXECUTIVE COMMITTEE NEW BUSINESS

7. 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:

Chair Gleason noted that the group rate for the trip to Phoenix was excessively high, and that the President/CEO would be paying part of the expense out of pocket.

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

8. REVIEW OF THE DRAFT AGENDA FOR THE JUNE 3, 2010 BOARD MEETING:

Jeffrey Woodson, Vice President, Administration, provided an overview of the draft agenda for the June 3, 2010 Board Meeting.

Chair Gleason noted that Item C, Comprehensive Ground Transportation Management Plan Status Update, would be moved to the Special Board Meeting on June 21, 2010, or the July Board Meeting, when more board members will be in attendance.

Chair Gleason stated that Item 9, Adoption of the Operating Budget for Fiscal Year 2011, will be heard at the Special Board Meeting on June 21.

Mr. Woodson noted that Item 18, Owner Representative Services for the Green Build Program, was being removed from the agenda.

9. REVIEW OF THE DRAFT AGENDA FOR THE JUNE 3, 2010 AIRPORT LAND USE COMMISSION MEETING:

Jeffrey Woodson, Vice President, Administration, provided an overview of the draft agenda for the June 3, 2010 Airport Land Use Commission meeting.

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

PRESIDENT/CEO REPORT

NON-AGENDA PUBLIC COMMENT

COMMITTEE MEMBER COMMENTS

Jeffrey Woodson, Vice President, Administration, noted that the pedestrian bridge at Terminal 1 was demolished in conjunction with the Green Build without incident.

Board Member Finnila noted that she was at the Green Build Symposium held in Carlsbad and it was well attended. She also noted that Thella F. Bowens, President/CEO, was recently named to the Future of Aviation Advisory Committee by Ray LaHood, Secretary of Transportation, which is a huge honor.

ADJOURNMENT

The meeting was adjourned at 10:43 a.m. The next meeting will be held on June 21, 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 21st DAY OF JUNE, 2010.



TONY R. RUSSELL
DIRECTOR, CORPORATE SERVICES/
AUTHORITY CLERK

APPROVED AS TO FORM:



BRETON K. LOBNER
GENERAL COUNSEL