

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
EXECUTIVE AND FINANCE COMMITTEE MEETING
MINUTES
MONDAY, OCTOBER 27, 2014
SAN DIEGO INTERNATIONAL AIRPORT
BOARD ROOM**

CALL TO ORDER:

Chair Gleason called the Executive and Finance Committee and Special Board meeting to order at 9:03 a.m., Monday, October 27, 2014, 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: Gleason, Robinson, Smisek
 Board Members: Desmond

Absent: Committee Members: None

Finance Committee

Present: Committee Members: Alvarez, Cox, Robinson, Sessom

Absent: Committee Members: Hubbs

Also Present: Thella F. Bowens, President/CEO; Breton K. Lobner, General Counsel; Tony R. Russell, Director, Corporate and Information Governance/Authority Clerk; Lorraine Bennett, Assistant Authority Clerk II

NON-AGENDA PUBLIC COMMENT - None

NEW BUSINESS

1. APPROVAL OF MINUTES:

RECOMMENDATION: Approve the minutes of the September 22, 2014, regular meeting.

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

FINANCE COMMITTEE NEW BUSINESS

2. REVIEW OF THE UNAUDITED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2014, AND 2013:

Scott Brickner, Vice President, Finance & Asset Management /Treasurer, and Kathy Kiefer, Senior Director, Finance & Asset Management, provided a presentation on the Unaudited Financial Statements for the Three Months Ended September 30, 2014 which included Enplanements, Gross Landing Weight Units, Car Rental License Fees, Parking Revenue, Food and Beverage Concessions Revenue, Retail Concessions Revenue, Total Terminal Concessions, Operating Revenues for the Month Ended September 30, 2014 (Unaudited), Operating Expenses for the Month Ended September 30, 2014 (Unaudited), Financial Summary for the Month Ended September 30, 2014 (Unaudited), Nonoperating Revenues and Expenses for the Month Ended September 30, 2014 (Unaudited), Operating Revenues for the Three Months Ended September 30, 2014 (Unaudited), Operating Expenses for the Three Months Ended September 30, 2014 (Unaudited), Financial Summary for the Three Months Ended September 30, 2014 (Unaudited), Nonoperating Revenues and Expenses for the Three Months Ended September 30, 2014 (Unaudited), and Statements of Net Position (Unaudited).

Chair Gleason requested that staff provide a status update on the Authority's Energy Master Plan.

In response to Board Member Desmond regarding a request to staff for an update on a timeframe for when the solar project will be online, Thella Bowens, President/CEO stated that staff would provide this information in a Board memo.

In response to Board Member Cox regarding what savings are anticipated for electrical usage once the solar panels are implemented, Scott Brickner, Vice President, Finance & Asset Management /Treasurer stated that this information will also be included in a memo to the Board.

RECOMMENDATION: Accept the report.

3. REVIEW OF THE AUTHORITY'S INVESTMENT REPORT AS OF SEPTEMBER 30, 2014:

Michael Sears, Director, Financial Management, provided a presentation on the Investment Report as of September 30, 2014, which included Total Portfolio Summary, Portfolio Composition by Security Type, Portfolio Composition by Credit Rating, Portfolio Composition by Maturity Distribution, Benchmark Comparison, Detail of Security Holdings As of September 30, 2014, Portfolio Investment Transactions from August 1, 2014 – September 30, 2014, Bond Proceeds Summary, Bond Proceeds Investment Transactions from August 1, 2014 – September 30, 2014, and Update on Principal Bond Covenants.

RECOMMENDATION: Accept the report.

ACTION: Moved by Board Member Alvarez and seconded by Board Member Sessom to approve staff's recommendation for Items 2 and 3 and to forward to the Board for acceptance. Motion carried unanimously.

EXECUTIVE COMMITTEE NEW BUSINESS

4. 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 Smisek and seconded by Board Member Robinson to accept staff's recommendation. Motion carried unanimously.

REVIEW OF FUTURE AGENDAS

5. REVIEW OF THE DRAFT AGENDA FOR THE NOVEMBER 6, 2014, BOARD MEETING:

Thella F. Bowens, President/CEO, provided an overview of the draft agenda for the November 6, 2014 Board Meeting.

In regards to the Presentations item, "Presentation On The Application Of Small Business Inclusionary Policies", Ms. Bowens requested that the item be moved under *New Business* on the agenda.

In regards to Item 13, "Approve And Authorize The President/CEO To Negotiate And Execute A First Amendment To The Solar Power Purchase Agreement With Lindberg Field Solar 1, LLC To Implement A Solar Photovoltaic Generating System At San Diego International Airport", Ms. Bowens requested that the item be moved under *New Business* on the agenda.

6. REVIEW OF THE DRAFT AGENDA FOR THE NOVEMBER 6, 2014, AIRPORT LAND USE COMMISSION MEETING:

Thella F. Bowens, President/CEO, provided an overview of the draft agenda for the November 6, 2014 ALUC Meeting.

ACTION: Moved by Board Member Smisek and seconded by Board Member Robinson to approve Items 5 and 6 as amended. Motion carried unanimously.

COMMITTEE MEMBER COMMENTS

Board Member Cox stated that at a recent Metropolitan Transit System (MTS) meeting, there was discussion regarding the MTS revenue-generating display and advertising concessions policies and procedures, which has more stringent guidelines for advertising than the Authority. He requested the General Counsel's Office to review the policy and report back to the Board. Bret Lobner, General Counsel, stated that staff will be bringing a new proposed advertising policy for Board approval in the New Year.

In response to Board Member Desmond regarding the status of the ongoing issues between unions and High Flying Foods and SSP America, Ms. Bowens stated that the Authority continues to have ongoing communications with both sides.

Chair Gleason stated that curbside activities by the unions on this issue are disruptive to travelers, and he stated the need to resolve the issue as soon as possible.

In response to Board Member Smisek regarding Board Agenda Item 18, "Receive An Update And Provide Possible Direction on The Airport Noise Mitigation Program", and whether staff has looked at the Quiet Takeoff Concept criteria, Ms. Bowens stated that what is being proposed is an interim step to avoid implementing a Quiet Takeoff Concept, and that the Authority is working very closely with the carriers and the community to meet the needs of both parties.

ADJOURNMENT

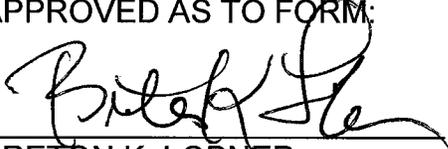
The meeting was adjourned at 9:54 a.m. The next meeting of the Executive and Finance Committee will be held on Friday, November 21, 2014, at 9:00 a.m. in the Board Room at the San Diego International Airport, Commuter Terminal, 3225 N. Harbor Drive, San Diego, CA 92101.

APPROVED BY A MOTION OF THE EXECUTIVE COMMITTEE OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY THIS 21ST DAY OF NOVEMBER, 2014.



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

APPROVED AS TO FORM:



BRETON K. LOBNER
GENERAL COUNSEL