

# SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

## Board Members

C. April Boling  
Chairman

Greg Cox  
Jim Desmond  
Robert H. Gleason  
Jim Janney  
Mark Kersey  
Paul Robinson  
Michael Schumacher  
Mary Sessom

## EXECUTIVE/FINANCE COMMITTEE and SPECIAL BOARD MEETING

### AGENDA

Tuesday, February 21, 2017  
9:00 A.M.

San Diego International Airport  
SDCRAA Administration Building -- Third Floor  
Board Room  
3225 N. Harbor Drive  
San Diego, CA 92101

## Ex-Officio Board Members

Laurie Berman  
Eraina Ortega  
Col. Jason Woodworth

## President / CEO

Thella F. Bowens

This Agenda contains a brief general description of each item to be considered. The indication of a recommended action does not indicate what action (if any) may be taken. If comments are made to the Committee without prior notice or are not listed on the Agenda, no specific answers or responses should be expected at this meeting pursuant to State law. ***Please note that agenda items may be taken out of order.***

Staff Reports and documentation relating to each item of business on the Agenda are on file in Corporate & Information Governance and are available for public inspection.

**\*NOTE:** This Committee Meeting also is noticed as a Special Meeting of the Board to (1) foster communication among Board members in compliance with the Brown Act; and (2) preserve the advisory function of the Committee.

Board members who are not members of this Committee may attend and participate in Committee discussions. Since sometimes more than a quorum of the Board may be in attendance, to comply with the Brown Act, this Committee meeting also is noticed as a Special Meeting of the Board.

To preserve the proper function of the Committee, only members officially assigned to this Committee are entitled to vote on any item before the Committee. This Committee only has the power to review items and make recommendations to the Board. Accordingly, this Committee cannot, and will not, take any final action that is binding on the Board or the Authority, even if a quorum of the Board is present.

PLEASE COMPLETE A "REQUEST TO SPEAK" FORM PRIOR TO THE COMMENCEMENT OF THE MEETING AND SUBMIT IT TO THE AUTHORITY CLERK. ***PLEASE REVIEW THE POLICY FOR PUBLIC PARTICIPATION IN BOARD AND BOARD COMMITTEE MEETINGS (PUBLIC COMMENT) LOCATED AT THE END OF THE AGENDA.***

**CALL TO ORDER:**

**PLEDGE OF ALLEGIANCE:**

**ROLL CALL:**

***Executive Committee***

Committee Members: Boling (Chairman), Janney, Robinson

***Finance Committee***

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

**NON-AGENDA PUBLIC COMMENT**

Non-Agenda Public Comment is reserved for members of the public wishing to address the Committee on matters for which another opportunity to speak **is not provided on the Agenda**, and which is within the jurisdiction of the Committee. Please submit a completed speaker slip to the Authority Clerk. ***Each individual speaker is limited to three (3) minutes. Applicants, groups and jurisdictions referring items to the Board for action are limited to five (5) minutes.***

**Note:** Persons wishing to speak on specific items should reserve their comments until the specific item is taken up by the Board.

**NEW BUSINESS:**

**1. APPROVAL OF MINUTES:**

RECOMMENDATION: Approve the minutes of the January 23, 2017 regular meeting.

**FINANCE COMMITTEE NEW BUSINESS:**

**2. REVIEW OF THE UNAUDITED FINANCIAL STATEMENTS FOR THE SEVEN MONTHS ENDED JANUARY 31, 2017:**

Presented by: Kathy Kiefer, Senior Director, Finance and Asset Management

**3. REVIEW OF THE AUTHORITY'S INVESTMENT REPORT AS OF JANUARY 31, 2017:**

Presented by: Geoff Bryant, Manager, Airport Finance

**4. SELECTION OF DEBT UNDERWRITERS FOR THE CAPITAL PROGRAM:**

RECOMMENDATION: Forward this item to the Board for approval.

Presented by: John Dillon, Director, Financial Management

**EXECUTIVE COMMITTEE NEW BUSINESS:**

**5. 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.

Presented by Tony R. Russell, Director, Corporate & Information Governance/Authority Clerk

**REVIEW OF FUTURE AGENDAS:**

**6. REVIEW OF THE DRAFT AGENDA FOR THE MARCH 2, 2017 BOARD MEETING:**

Presented by: Thella F. Bowens, President/CEO

**7. REVIEW OF THE DRAFT AGENDA FOR THE MARCH 2, 2017 AIRPORT LAND USE COMMISSION MEETING:**

Presented by: Thella F. Bowens, President/CEO

**CLOSED SESSION:**

**8. PUBLIC EMPLOYEE APPOINTMENT:**

Cal. Gov. Code §54957

Title: President/Chief Executive Officer

**REPORT ON CLOSED SESSION:**

**COMMITTEE MEMBER COMMENTS:**

**ADJOURNMENT:**

**Policy for Public Participation in Board, Airport Land Use Commission (ALUC), and Committee Meetings (Public Comment)**

- 1) Persons wishing to address the Board, ALUC, and Committees shall complete a "Request to Speak" form prior to the announcement of that portion of the agenda containing the item to be addressed (e.g., Public Comment and General Items). Failure to complete a form shall not preclude testimony, if permission to address the Board is granted by the Chair.
- 2) The Public Comment period at the beginning of the agenda is limited to eighteen (18) minutes and is reserved for persons wishing to address the Board, ALUC, or Committee on any matter for which another opportunity to speak is not provided on the Agenda, and on matters that are within the jurisdiction of the Board. A second Public Comment period is reserved for general public comment later in the meeting for those who were not heard during the first Public Comment period.
- 3) Persons wishing to speak on a specific item listed on the agenda will be afforded an opportunity to speak during the presentation of that individual item. Persons wishing to speak on a specific item should reserve their comments until the item is taken up by the Board, ALUC or Committee. Public comment on a specific item is limited to twenty (20) minutes – ten (10) minutes for those in favor and ten (10) minutes for those in opposition of an item. Each individual speaker will be allowed three (3) minutes, and applicants and groups will be allowed five (5) minutes.
- 4) If many persons have indicated a desire to address the Board, ALUC or Committees on the same issue, then the Chair may suggest that these persons consolidate their respective testimonies. Testimony by members of the public on any item shall be limited to **three (3) minutes per individual speaker and five (5) minutes for applicants, groups and referring jurisdictions.**
- 5) Pursuant to Authority Policy 1.33 (8), recognized groups must register with the Authority Clerk prior to the meeting.
- 6) After a public hearing or the Public Comment portion of the meeting has been closed, no person shall address the Board, ALUC, and Committees without first obtaining permission to do so.

**Additional Meeting Information**

**NOTE:** This information is available in alternative formats upon request. To request an Agenda in an alternative format, or to request a sign language or oral interpreter, or an Assistive Listening Device (ALD) for the meeting, please telephone the Authority Clerk's Office at (619) 400-2400 at least three (3) working days prior to the meeting to ensure availability.

For your convenience, the agenda is also available to you on our website at [www.san.org](http://www.san.org).

**For those planning to attend the Board meeting, parking is available in the public parking lot located directly in front of the SDCRAA Administration Building. Bring your ticket to the third floor receptionist for validation.**

**You may also reach the SDCRAA Administration Building by using public transit via the San Diego MTS system, Route 992. For route and fare information, please call the San Diego MTS at (619) 233-3004 or 511.**

**UPCOMING MEETING SCHEDULE**

<i>Date</i>	<i>Day</i>	<i>Time</i>	<i>Meeting Type</i>	<i>Location</i>
March 27	Monday	9:00 A.M.	Regular	Board Room

**DRAFT**  
**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY**  
**EXECUTIVE AND FINANCE COMMITTEE MEETING MINUTES**  
**MONDAY, JANUARY 23, 2017**  
**BOARD ROOM**

**CALL TO ORDER:** Chairman Boling called the Executive and Finance Committee Meeting to order at 9:02 a.m., on Monday, January 23, 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 Cox led the Pledge of Allegiance.

**ROLL CALL:**

***Executive Committee***

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

Board Members:              Gleason

Absent:                      Committee Members:              None

***Finance Committee***

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

Absent:                      Committee Members:              Sessom

Also Present: Thella F. Bowens, President/CEO; Amy Gonzalez, General Counsel; Tony Russell, Director, Corporate and Information Governance/ Authority Clerk; Ariel Levy-Mayer, Assistant Authority Clerk I

**NON-AGENDA PUBLIC COMMENT:** None.

**NEW BUSINESS:**

**1.      APPROVAL OF MINUTES:**

RECOMMENDATION: Approve the minutes of the December 5, 2016 regular meeting.

**ACTION: Moved by Board Member Janney 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 SIX MONTHS ENDED DECEMBER 31, 2016:**

Kathy Kiefer, Senior Director, Finance and Asset Management, provided a presentation on the Review of the Unaudited Financial Statements for the Six Months Ended December 31, 2016 which included Enplanements, Car Rental

License Fees, Food and Beverage Concessions Revenue, Retail Concessions Revenue, Parking Revenue, Operating Revenues for the Month Ended December 31, 2016, Operating Expenses for the Month Ended December 31, 2016, Financial Summary for the Month Ended December 31, 2016, Non-operating Revenues & Expenses for the Month Ended December 31, 2016, Operating Revenues for the Six Months Ended December 31, 2016, Operating Expenses for the Six Months Ended December 31, 2016, Financial Summary for the Six Months Ended December 31, 2016, Non-operating Revenues & Expenses for the Six Months Ended December 31, 2016, and Statements of Net Position.

**3. REVIEW OF THE AUTHORITY'S INVESTMENT REPORT AS OF DECEMBER 31, 2016:**

Geoff Bryant, Manager, Airport Finance, provided a presentation on the Authority's Investment Report as of December 31, 2016 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. CAPITAL FINANCING UPDATE:**

John Dillon, Director, Financial Management, provided a presentation on Capital Financing Update which included Summary of Outstanding Revolving Line of Credit, Solicitation Updates, and Proposed Board Action Calendar.

**EXECUTIVE COMMITTEE NEW BUSINESS:**

**5. 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:**

KAMRAN HAMIDI, SAN DIEGO, spoke regarding the taxi operations at San Diego International Airport.

ALEM ZEBIB, SAN DIEGO, spoke regarding the equal treatment of taxis and TNC's at San Diego International Airport.

YONAS MEHARI-GHILIU, spoke regarding the issuance of taxi permits at San Diego International Airport.

NAZAR MARAHI, SAN DIEGO, stated that there is a need for more taxi permits at San Diego International Airport.

WILLIAM JOHNSON, SAN DIEGO, with the United Taxi Workers of San Diego spoke regarding open airport permitting and taxi ownership.

TAREK AFIFI, CHULA VISTA, spoke regarding taxi operations at the airport and requested that the item on the February Board agenda regarding taxis be an action item.

**6. REVIEW OF THE DRAFT AGENDA FOR THE FEBRUARY 2, 2017 BOARD MEETING:**

Thella F. Bowens, President/CEO, provided an overview of the draft agenda for the February 2, 2017 Board Meeting.

Ms. Bowens stated that Item B should be removed from the agenda, as it is incorporated in Item A.

Board Member Cox requested that the President/CEO's report include an update on noise issues and complaints in the La Jolla, Mission Bay and Point Loma areas, and an update on the Socal Metroplex.

**7. REVIEW OF THE DRAFT AGENDA FOR THE FEBRUARY 2, 2017 AIRPORT LAND USE COMMISSION MEETING:**

Thella F. Bowens, President/CEO, provided an overview of the draft agenda for the February 2, 2017 ALUC meeting.

**CLOSED SESSION:** The Committee recessed into Closed Session at 9:49 a.m. to discuss Item 8.

**8. PUBLIC EMPLOYEE APPOINTMENT:**

Cal. Gov. Code §54957

Title: President/Chief Executive Officer

**REPORT ON CLOSED SESSION:** The Committee adjourned at 10:30 a.m. There was no reportable action.

**COMMITTEE MEMBER COMMENTS:** None.

**ADJOURNMENT:** The meeting was adjourned at 10:30 a.m.

APPROVED BY A MOTION OF THE SAN DIEGO COUNTY REGIONAL AIRPORT  
AUTHORITY EXECUTIVE COMMITTEE THIS 21<sup>st</sup> DAY OF FEBRUARY, 2017.

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

APPROVED AS TO FORM:

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AMY GONZALEZ  
GENERAL COUNSEL

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY**  
**Statements of Net Position**  
**as of January 31, 2017**  
**(Unaudited)**  
**Revised**

**ASSETS**

	January	
	2017	2016
<b>Current assets:</b>		
Cash and investments <sup>(1)</sup>	\$ 82,736,516	\$ 63,032,941
Tenant lease receivable, net of allowance of 2017: (\$213,232) and 2016: (\$182,983)	7,887,848	8,565,265
Grants receivable	3,952,883	7,473,339
Notes receivable-current portion	1,705,491	1,608,986
Prepaid expenses and other current assets	7,131,106	7,403,621
<b>Total current assets</b>	<b>103,413,844</b>	<b>88,084,152</b>
<b>Cash designated for capital projects and other <sup>(1)</sup></b>	<b>22,205,496</b>	<b>39,770,441</b>
<b>Restricted assets:</b>		
Cash and investments:		
Bonds reserve <sup>(1)</sup>	57,872,255	61,166,089
Passenger facility charges and interest unapplied <sup>(1)</sup>	68,552,848	63,317,315
Customer facility charges and interest unapplied <sup>(1)</sup>	33,773,545	42,239,965
SBD Bond Guarantee <sup>(1)</sup>	4,000,000	4,000,000
Bond proceeds held by trustee <sup>(1)</sup>	144,238,435	201,259,189
Variable rate debt interest held by Trustee <sup>(1)</sup>	89,445	-
Passenger facility charges receivable	2,249,384	3,364,524
Customer facility charges receivable	3,434,810	3,081,039
OCIP insurance reserve	2,697,635	4,273,585
<b>Total restricted assets</b>	<b>316,908,357</b>	<b>382,701,706</b>
<b>Noncurrent assets:</b>		
<b>Capital assets:</b>		
Land and land improvements	109,974,224	83,598,180
Runways, roads and parking lots	590,788,831	590,461,113
Buildings and structures	1,409,497,276	1,117,193,176
Machinery and equipment	48,890,762	40,020,757
Vehicles	15,032,750	14,542,052
Office furniture and equipment	32,356,892	32,395,071
Works of art	9,579,436	8,103,463
Construction-in-progress	187,561,001	434,653,617
	<b>2,403,681,172</b>	<b>2,320,967,429</b>
Less accumulated depreciation	(866,003,924)	(779,530,348)
<b>Total capital assets, net</b>	<b>1,537,677,248</b>	<b>1,541,437,081</b>
<b>Other assets:</b>		
Notes receivable - long-term portion	34,071,634	35,829,981
Investments-long-term portion <sup>(1)</sup>	177,532,994	96,498,256
Security deposit	349,943	349,943
<b>Total other assets</b>	<b>211,954,571</b>	<b>132,678,180</b>
<b>Deferred outflows of resources:</b>		
Deferred pension contributions	5,956,246	5,852,753
<b>Total assets and deferred outflows of resources</b>	<b>\$ 2,198,115,762</b>	<b>\$ 2,190,524,313</b>

<sup>(1)</sup> Total cash and investments, \$591,001,534 for 2017 and \$571,284,196 for 2016

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY**  
**Statements of Net Position**  
**as of January 31, 2017**  
**(Unaudited)**  
**Revised**

**LIABILITIES AND NET POSITION**

	January	
	2017	2016
<b>Current liabilities:</b>		
Accounts payable and accrued liabilities	\$ 29,271,715	\$ 54,101,993
Deposits and other current liabilities	8,251,333	7,643,032
<b>Total current liabilities</b>	<b>37,523,048</b>	<b>61,745,025</b>
<b>Current liabilities - payable from restricted assets:</b>		
Current portion of long-term debt	11,585,000	11,090,000
Accrued interest on bonds and variable debt	13,621,224	5,492,302
<b>Total liabilities payable from restricted assets</b>	<b>25,206,224</b>	<b>16,582,302</b>
<b>Long-term liabilities:</b>		
Variable debt	52,331,000	38,705,000
Other long-term liabilities	10,350,367	5,961,912
Long term debt - bonds net of amortized premium	1,277,737,202	1,293,513,317
<b>Total long-term liabilities</b>	<b>1,340,418,569</b>	<b>1,338,180,229</b>
<b>Total liabilities</b>	<b>1,403,147,841</b>	<b>1,416,507,556</b>
<b>Deferred inflows of resources:</b>		
Deferred pension investment gains	1,807,420	8,167,978
<b>Total liabilities and deferred inflows of resources</b>	<b>\$ 1,404,955,261</b>	<b>\$ 1,424,675,534</b>
<b>Net Position:</b>		
Invested in capital assets, net of related debt	332,662,043	391,523,040
Other restricted	172,388,172	180,795,163
Unrestricted:		
Designated	22,205,496	39,770,441
Undesignated	265,904,789	153,760,132
<b>Total Net Position</b>	<b>\$ 793,160,500</b>	<b>\$ 765,848,776</b>

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY**  
**Statements of Revenues, Expenses, and Changes in Net Position**  
**For the Month Ended January 31, 2017**  
(Unaudited)  
Revised

	Budget	Actual	Variance Favorable (Unfavorable)	% Change	Prior Year
<b>Operating revenues:</b>					
Aviation revenue:					
Landing fees	\$ 2,125,115	\$ 2,199,937	\$ 74,822	4%	\$ 2,080,009
Aircraft parking Fees	242,304	242,299	(5)	(0)%	226,045
Building rentals	4,576,626	4,597,411	20,785	0%	4,483,012
Security surcharge	2,488,129	2,486,660	(1,469)	(0)%	2,306,130
CUPPS Support Charges	103,761	103,646	(115)	(0)%	100,545
Other aviation revenue	134,162	135,012	850	1%	134,581
Terminal rent non-airline	103,182	129,949	26,767	26%	110,513
Terminal concessions	1,829,787	2,023,010	193,223	11%	1,664,350
Rental car license fees	2,049,868	2,110,067	60,199	3%	2,045,880
Rental car center cost recovery	182,887	187,377	4,490	2%	52,379
License fees other	376,467	428,713	52,246	14%	338,545
Parking revenue	3,081,035	3,149,354	68,319	2%	3,278,478
Ground transportation permits and citations	432,361	669,506	237,145	55%	400,774
Ground rentals	1,548,570	1,548,311	(259)	(0)%	1,120,911
Grant reimbursements	18,676	24,800	6,124	33%	24,800
Other operating revenue	62,690	75,306	12,616	20%	65,914
<b>Total operating revenues</b>	<b>19,355,620</b>	<b>20,111,358</b>	<b>755,738</b>	<b>4%</b>	<b>18,432,866</b>
<b>Operating expenses:</b>					
Salaries and benefits	3,601,473	3,625,898	(24,425)	(1)%	3,439,239
Contractual services	3,771,729	3,554,493	217,236	6%	3,355,225
Safety and security	2,273,499	2,221,766	51,733	2%	2,192,267
Space rental	849,288	849,963	(675)	(0)%	869,289
Utilities	997,322	991,038	6,284	1%	958,306
Maintenance	1,116,435	1,294,832	(178,397)	(16)%	529,494
Equipment and systems	22,482	77,167	(54,685)	(243)%	37,090
Materials and supplies	31,271	63,197	(31,926)	(102)%	38,955
Insurance	77,388	83,599	(6,211)	(8)%	78,592
Employee development and support	120,747	93,564	27,183	23%	77,688
Business development	224,185	117,638	106,547	48%	150,913
Equipment rentals and repairs	368,692	207,567	161,125	44%	193,169
<b>Total operating expenses</b>	<b>13,454,511</b>	<b>13,180,722</b>	<b>273,789</b>	<b>2%</b>	<b>11,920,227</b>
Depreciation	7,898,484	7,898,484	-	-	6,843,324
<b>Operating income (loss)</b>	<b>(1,997,375)</b>	<b>(967,848)</b>	<b>1,029,527</b>	<b>52%</b>	<b>(330,685)</b>
<b>Nonoperating revenue (expenses):</b>					
Passenger facility charges	2,120,629	2,110,335	(10,294)	(0)%	2,056,691
Customer facility charges (Rental Car Center)	3,074,480	3,057,751	(16,729)	(1)%	2,470,582
Quieter Home Program	(282,128)	(103,202)	178,926	63%	(578,259)
Interest income	546,506	704,642	158,136	29%	265,840
BAB interest rebate	385,935	385,851	(84)	(0)%	385,851
Interest expense	(5,614,061)	(5,141,878)	472,183	8%	(5,108,115)
Bond amortization costs	345,786	345,786	-	0%	353,310
Other nonoperating income (expenses)	(833)	75,415	76,248	-	1,756,348
<b>Nonoperating revenue, net</b>	<b>576,314</b>	<b>1,434,700</b>	<b>858,386</b>	<b>149%</b>	<b>1,602,248</b>
<b>Change in net position before capital grant contribution</b>	<b>(1,421,061)</b>	<b>466,852</b>	<b>1,887,913</b>	<b>(133)%</b>	<b>1,271,563</b>
Capital grant contributions	149,667	1,028,681	879,014	587%	(577,082)
<b>Change in net position</b>	<b>\$ (1,271,394)</b>	<b>\$ 1,495,533</b>	<b>\$ 2,766,927</b>	<b>218%</b>	<b>\$ 694,481</b>

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY**  
**Statements of Revenues, Expenses, and Changes in Net Position**  
**For the Seven Months Ended January 31, 2017 and 2016**  
(Unaudited)  
Revised

	Budget	Actual	Variance Favorable (Unfavorable)	%	Prior Year
				Change	
<b>Operating revenues:</b>					
Aviation revenue:					
Landing fees	\$ 15,495,889	\$ 15,946,266	\$ 450,377	3%	\$ 14,526,594
Aircraft parking fees	1,696,128	1,696,093	(35)	(0)%	1,586,843
Building rentals	32,036,974	32,038,395	1,421	0%	30,882,365
Security surcharge	17,416,903	17,392,630	(24,273)	(0)%	15,349,587
CUPPS Support Charges	726,326	724,502	(1,824)	(0)%	703,815
Other aviation revenue	944,482	946,572	2,090	0%	939,040
Terminal rent non-airline	725,830	894,680	168,850	23%	477,091
Terminal concessions	13,651,030	14,781,695	1,130,665	8%	13,579,544
Rental car license fees	15,045,972	16,803,552	1,757,580	12%	15,063,773
Rental car center cost recovery	1,280,207	1,277,702	(2,505)	(0)%	52,379
License fees other	2,476,789	2,800,590	323,801	13%	2,548,745
Parking revenue	24,320,650	24,507,350	186,700	1%	25,302,664
Ground transportation permits and citations	3,777,592	4,658,746	881,154	23%	3,145,872
Ground rentals	10,839,991	10,794,367	(45,624)	(0)%	7,426,466
Grant reimbursements	129,530	172,000	42,470	33%	171,930
Other operating revenue	438,835	839,551	400,716	91%	441,738
<b>Total operating revenues</b>	<b>141,003,128</b>	<b>146,274,691</b>	<b>5,271,563</b>	<b>4%</b>	<b>132,198,446</b>
<b>Operating expenses:</b>					
Salaries and benefits	25,606,899	24,544,446	1,062,453	4%	24,158,827
Contractual services	25,702,534	25,379,651	322,883	1%	20,581,007
Safety and security	16,296,844	15,570,217	726,627	4%	14,458,141
Space rental	5,945,013	5,944,893	120	0%	6,022,977
Utilities	7,934,614	6,590,808	1,343,806	17%	7,016,940
Maintenance	8,043,900	8,133,759	(89,859)	(1)%	8,054,154
Equipment and systems	192,786	188,702	4,084	2%	307,178
Materials and supplies	251,182	315,326	(64,144)	(26)%	291,996
Insurance	544,817	563,051	(18,234)	(3)%	553,206
Employee development and support	807,828	630,492	177,336	22%	655,784
Business development	1,399,441	1,169,218	230,223	16%	1,073,833
Equipment rentals and repairs	2,193,843	1,816,389	377,454	17%	1,521,204
<b>Total operating expenses</b>	<b>94,919,701</b>	<b>90,846,952</b>	<b>4,072,749</b>	<b>4%</b>	<b>84,695,247</b>
Depreciation	53,544,281	53,544,280	1	-	47,009,508
<b>Operating income (loss)</b>	<b>(7,460,854)</b>	<b>1,883,459</b>	<b>9,344,311</b>		<b>493,691</b>
<b>Nonoperating revenue (expenses):</b>					
Passenger facility charges	21,316,283	21,349,987	33,704	0%	20,863,412
Customer facility charges (Rental Car Center)	20,023,048	19,816,297	(206,751)	(1)%	19,195,123
Quieter Home Program	(1,563,776)	(462,620)	1,101,156	70%	(1,978,923)
Interest income	3,869,461	4,442,609	573,148	15%	3,372,429
BAB interest rebate	2,701,544	2,711,453	9,909	0%	2,713,951
Interest expense	(38,950,476)	(35,804,348)	3,146,128	8%	(34,424,964)
Bond amortization costs	2,433,840	2,433,840	-	0%	2,485,973
Other nonoperating income (expenses)	(5,831)	(2,129,214)	(2,123,383)	-	183,153
<b>Nonoperating revenue, net</b>	<b>9,824,093</b>	<b>12,358,004</b>	<b>2,533,911</b>	<b>26%</b>	<b>12,410,154</b>
<b>Change in net position before capital grant contributions</b>	<b>2,363,239</b>	<b>14,241,463</b>	<b>11,878,222</b>	<b>503%</b>	<b>12,903,845</b>
Capital grant contributions	601,663	1,245,980	644,317	107%	10,200,173
<b>Change in net position</b>	<b>\$ 2,964,902</b>	<b>\$ 15,487,443</b>	<b>\$ 12,522,541</b>	<b>422%</b>	<b>\$ 23,104,018</b>



**San Diego County Regional Airport Authority**  
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Print Date: 2/10/2017  
 Print Time: 4:07:42PM  
 Report ID: GL0012

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	Budget	Actual	Variance Favorable (Unfavorable)	Variance Percent	Prior Year Actual	Budget	Actual	Variance Favorable (Unfavorable)	Variance Percent	Prior Year Actual
<b>Landing Fees</b>										
41112 - Landing Fees - Signatory	\$2,134,854	\$2,219,300	\$84,446	4	\$2,082,795	\$15,587,149	\$16,143,376	\$556,228	4	\$14,635,188
41113 - Landing Fee Rebate	(9,739)	(19,363)	(9,624)	(99)	(2,786)	(91,260)	(197,110)	(105,850)	(116)	(108,594)
<b>Total Landing Fees</b>	<b>2,125,115</b>	<b>2,199,937</b>	<b>74,822</b>	<b>4</b>	<b>2,080,008</b>	<b>15,495,888</b>	<b>15,946,266</b>	<b>450,378</b>	<b>3</b>	<b>14,526,594</b>
<b>Aircraft Parking Fees</b>										
41150 - Terminal Aircraft Parking	208,381	208,376	(5)	0	194,400	1,458,670	1,458,635	(35)	0	1,360,797
41155 - Remote Aircraft Parking	33,923	33,923	0	0	31,646	237,458	237,458	0	0	226,046
<b>Total Aircraft Parking Fees</b>	<b>242,304</b>	<b>242,299</b>	<b>(5)</b>	<b>0</b>	<b>226,046</b>	<b>1,696,127</b>	<b>1,696,093</b>	<b>(34)</b>	<b>0</b>	<b>1,586,843</b>
<b>Building and Other Rents</b>										
41210 - Terminal Rent	4,507,685	4,536,794	29,109	1	4,417,560	31,553,796	31,548,308	(5,488)	0	30,449,969
41215 - Federal Inspection Services	68,940	60,617	(8,323)	(12)	65,450	483,178	490,087	6,909	1	432,396
<b>Total Building and Other Rents</b>	<b>4,576,625</b>	<b>4,597,411</b>	<b>20,786</b>	<b>0</b>	<b>4,483,010</b>	<b>32,036,974</b>	<b>32,038,395</b>	<b>1,421</b>	<b>0</b>	<b>30,882,365</b>
<b>Security Surcharge</b>										
41310 - Airside Security Charges	613,108	612,707	(401)	0	562,281	4,291,758	4,286,071	(5,687)	0	3,752,540
41320 - Terminal Security Charge	1,875,021	1,873,953	(1,068)	0	1,743,849	13,125,145	13,106,559	(18,586)	0	11,597,047
<b>Total Security Surcharge</b>	<b>2,488,129</b>	<b>2,486,660</b>	<b>(1,469)</b>	<b>0</b>	<b>2,306,130</b>	<b>17,416,903</b>	<b>17,392,630</b>	<b>(24,273)</b>	<b>0</b>	<b>15,349,587</b>
<b>CUPPS Support Charges</b>										
41400 - CUPPS Support Charges	103,761	103,646	(115)	0	100,545	726,326	724,502	(1,825)	0	703,815
<b>Total CUPPS Support Charges</b>	<b>103,761</b>	<b>103,646</b>	<b>(115)</b>	<b>0</b>	<b>100,545</b>	<b>726,326</b>	<b>724,502</b>	<b>(1,825)</b>	<b>0</b>	<b>703,815</b>
<b>Other Aviation Revenue</b>										
43100 - Fuel Franchise Fees	15,211	16,061	850	6	15,630	111,825	113,915	2,091	2	106,383
43105 - New Capital Recovery	118,951	118,951	0	0	118,951	832,657	832,657	0	0	832,657
<b>Total Other Aviation Revenue</b>	<b>134,162</b>	<b>135,012</b>	<b>850</b>	<b>1</b>	<b>134,581</b>	<b>944,482</b>	<b>946,572</b>	<b>2,091</b>	<b>0</b>	<b>939,040</b>
<b>Non-Airline Terminal Rents</b>										
45010 - Terminal Rent - Non-Airline	103,182	129,949	26,768	26	110,513	725,830	894,680	168,850	23	477,091
<b>Total Non-Airline Terminal Rents</b>	<b>103,182</b>	<b>129,949</b>	<b>26,768</b>	<b>26</b>	<b>110,513</b>	<b>725,830</b>	<b>894,680</b>	<b>168,850</b>	<b>23</b>	<b>477,091</b>

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<b>Concession Revenue</b>										
45111 - Term Concessions-Food & Bev	\$742,297	\$860,598	\$118,301	16	\$706,408	\$5,712,168	\$6,279,119	\$566,951	10	\$5,673,823
45112 - Terminal Concessions - Retail	458,463	526,363	67,900	15	426,011	3,710,451	4,127,372	416,921	11	3,642,062
45113 - Term Concessions - Other	254,973	312,416	57,443	23	218,136	1,786,113	2,040,227	254,114	14	1,968,222
45114 - Term Concessions Space Rents	71,969	72,591	621	1	71,170	503,785	508,134	4,350	1	499,143
45115 - Term Concessions Cost Recovery	135,349	80,564	(54,785)	(40)	81,020	723,569	595,878	(127,691)	(18)	602,713
45116 - Rec Distr Center Cost Recovery	127,172	126,412	(760)	(1)	122,920	890,202	875,964	(14,238)	(2)	868,682
45117 - Concessions Marketing Program	39,564	44,066	4,502	11	38,685	324,742	355,001	30,259	9	324,899
45120 - Rental car license fees	2,049,868	2,110,067	60,199	3	2,045,880	15,045,972	16,803,552	1,757,579	12	15,063,773
45121 - Rental Car Center Cost Recover	182,887	187,377	4,490	2	52,379	1,280,207	1,277,702	(2,506)	0	52,379
45130 - License Fees - Other	376,467	428,713	52,246	14	338,545	2,476,789	2,800,590	323,801	13	2,548,745
<b>Total Concession Revenue</b>	<b>4,439,009</b>	<b>4,749,167</b>	<b>310,158</b>	<b>7</b>	<b>4,101,154</b>	<b>32,453,999</b>	<b>35,663,538</b>	<b>3,209,539</b>	<b>10</b>	<b>31,244,441</b>
<b>Parking and Ground Transportat</b>										
45210 - Parking	3,081,035	3,149,354	68,319	2	3,278,478	24,320,650	24,507,350	186,700	1	25,302,664
45220 - AVI fees	423,980	583,461	159,481	38	335,614	3,226,296	3,957,461	731,165	23	2,087,989
45240 - Ground Transportation Pe	0	77,664	77,664	0	46,359	492,626	582,332	89,705	18	906,409
45250 - Citations	8,381	8,381	0	0	18,801	58,670	118,953	60,283	103	151,474
<b>Total Parking and Ground Transportat</b>	<b>3,513,397</b>	<b>3,818,860</b>	<b>305,464</b>	<b>9</b>	<b>3,679,252</b>	<b>28,098,243</b>	<b>29,166,096</b>	<b>1,067,853</b>	<b>4</b>	<b>28,448,536</b>
<b>Ground Rentals</b>										
45310 - Ground Rental - Fixed	1,548,570	1,548,312	(258)	0	1,111,423	10,839,991	10,794,367	(45,624)	0	7,403,892
45320 - Ground Rental - Percenta	0	0	0	0	9,488	0	0	0	0	22,574
<b>Total Ground Rentals</b>	<b>1,548,570</b>	<b>1,548,312</b>	<b>(258)</b>	<b>0</b>	<b>1,120,911</b>	<b>10,839,991</b>	<b>10,794,367</b>	<b>(45,624)</b>	<b>0</b>	<b>7,426,466</b>
<b>Grant Reimbursements</b>										
45410 - TSA Reimbursements	18,676	24,800	6,124	33	24,800	129,530	172,000	42,470	33	171,930
<b>Total Grant Reimbursements</b>	<b>18,676</b>	<b>24,800</b>	<b>6,124</b>	<b>33</b>	<b>24,800</b>	<b>129,530</b>	<b>172,000</b>	<b>42,470</b>	<b>33</b>	<b>171,930</b>

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<b>Other Operating Revenue</b>										
45510 - Finger Printing Fee	\$17,605	\$16,452	\$(1,153)	(7)	\$16,880	\$123,238	\$114,539	\$(8,699)	(7)	\$120,441
45520 - Utilities Reimbursements	19,427	19,427	0	0	18,416	135,987	135,987	0	0	128,911
45530 - Miscellaneous Other Reve	4,274	1,478	(2,796)	(65)	2,773	29,916	381,346	351,430	1,175	27,912
45540 - Service Charges	7,314	20,576	13,262	181	12,435	51,197	83,714	32,517	64	56,318
45570 - FBO Landing Fees	14,071	16,212	2,141	15	15,410	98,497	120,485	21,988	22	99,836
45580 - Equipment Rental	0	1,160	1,160	0	0	0	3,480	3,480	0	8,320
<b>Total Other Operating Revenue</b>	<b>62,691</b>	<b>75,305</b>	<b>12,614</b>	<b>20</b>	<b>65,914</b>	<b>438,834</b>	<b>839,551</b>	<b>400,716</b>	<b>91</b>	<b>441,739</b>
<b>Total Operating Revenue</b>	<b>19,355,621</b>	<b>20,111,358</b>	<b>755,737</b>	<b>4</b>	<b>18,432,863</b>	<b>141,003,129</b>	<b>146,274,690</b>	<b>5,271,561</b>	<b>4</b>	<b>132,198,447</b>
<b>Personnel Expenses</b>										
<b>Salaries</b>										
51110 - Salaries & Wages	2,688,301	1,968,088	720,212	27	1,980,398	19,501,870	15,825,291	3,676,579	19	15,396,305
51210 - Paid Time Off	0	285,388	(285,388)	0	254,795	0	1,635,443	(1,635,443)	0	1,561,910
51220 - Holiday Pay	0	278,001	(278,001)	0	223,595	0	551,227	(551,227)	0	611,493
51240 - Other Leave With Pay	0	9,662	(9,662)	0	7,781	0	55,948	(55,948)	0	70,293
51250 - Special Pay	0	75,784	(75,784)	0	48,967	0	428,731	(428,731)	0	484,421
<b>Total Salaries</b>	<b>2,688,301</b>	<b>2,616,923</b>	<b>71,377</b>	<b>3</b>	<b>2,515,535</b>	<b>19,501,870</b>	<b>18,496,641</b>	<b>1,005,229</b>	<b>5</b>	<b>18,124,422</b>
52110 - Overtime	55,991	45,631	10,361	19	51,103	377,988	403,921	(25,932)	(7)	408,908
<b>Benefits</b>										
54110 - FICA Tax	207,575	196,202	11,373	5	189,172	1,399,110	1,300,251	98,859	7	1,277,711
54120 - Unemployment Insurance-S	0	0	0	0	4,853	0	41,520	(41,520)	0	34,398
54130 - Workers Compensation Ins	22,863	99	22,764	100	14,865	165,754	111,940	53,814	32	104,276
54135 - Workers Comp Incident Expense	0	14,955	(14,955)	0	0	0	42,685	(42,685)	0	17,929
54210 - Medical Insurance	384,475	345,868	38,606	10	331,710	2,591,240	2,395,328	195,912	8	2,263,897
54220 - Dental Insurance	27,522	25,979	1,543	6	26,148	192,140	181,884	10,256	5	178,654
54230 - Vision Insurance	3,376	3,216	160	5	3,192	23,634	22,324	1,310	6	21,988
54240 - Life Insurance	8,615	8,705	(90)	(1)	7,816	60,304	57,739	2,565	4	54,185
54250 - Short Term Disability	9,584	10,024	(440)	(5)	9,718	67,090	69,714	(2,624)	(4)	67,041
54310 - Retirement	516,387	519,759	(3,372)	(1)	491,469	3,614,710	3,273,890	340,820	9	3,330,495
54315 - Retiree	174,548	174,250	298	0	210,200	1,221,839	1,218,600	3,239	0	1,461,200
54410 - Taxable Benefits	0	0	0	0	0	0	20,630	(20,630)	0	19,562
54430 - Accrued Vacation	0	(4,028)	4,028	0	50,010	0	(207,155)	207,155	0	(11,464)
<b>Total Benefits</b>	<b>1,354,945</b>	<b>1,295,028</b>	<b>59,917</b>	<b>4</b>	<b>1,339,153</b>	<b>9,335,821</b>	<b>8,529,351</b>	<b>806,470</b>	<b>9</b>	<b>8,819,872</b>

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<b>Cap Labor/Burden/OH Recharge</b>										
54510 - Capitalized Labor Recha	\$(446,986)	\$(62,300)	\$(384,686)	(86)	\$(65,401)	\$(3,240,652)	\$(529,009)	\$(2,711,643)	(84)	\$(597,111)
54515 - Capitalized Burden Rech	0	(23,451)	23,451	0	(26,185)	0	(198,840)	198,840	0	(227,774)
54599 - OH Contra	0	(245,476)	245,476	0	(332,762)	0	(1,993,364)	1,993,364	0	(1,923,631)
<b>Total Cap Labor/Burden/OH Recharge</b>	<b>(446,986)</b>	<b>(331,227)</b>	<b>(115,759)</b>	<b>(26)</b>	<b>(424,348)</b>	<b>(3,240,652)</b>	<b>(2,721,213)</b>	<b>(519,439)</b>	<b>(16)</b>	<b>(2,748,516)</b>
<b>QHP Labor/Burden/OH Recharge</b>										
54520 - QHP Labor Recharge	(50,776)	(307)	(50,470)	(99)	(19,907)	(368,128)	(47,595)	(320,533)	(87)	(197,524)
54525 - QHP Burden Recharge	0	(152)	152	0	(8,726)	0	(20,048)	20,048	0	(85,639)
54526 - QHP OH Contra Acct	0	0	0	0	(13,575)	0	(99,109)	99,109	0	(162,696)
<b>Total QHP Labor/Burden/OH Recharge</b>	<b>(50,776)</b>	<b>(459)</b>	<b>(50,318)</b>	<b>(99)</b>	<b>(42,209)</b>	<b>(368,128)</b>	<b>(166,752)</b>	<b>(201,376)</b>	<b>(55)</b>	<b>(445,859)</b>
<b>MM&amp;JS Labor/Burden/OH Recharge</b>										
54530 - MM & JS Labor Recharge	0	0	0	0	0	0	2,500	(2,500)	0	(133)
54531 - Joint Studies - Labor	0	0	0	0	0	0	0	0	0	133
54535 - MM & JS Burden Recharge	0	0	0	0	0	0	0	0	0	(50)
54536 - Maintenance-Burden	0	0	0	0	0	0	0	0	0	50
<b>Total MM&amp;JS Labor/Burden/OH Recharge</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,500</b>	<b>(2,500)</b>	<b>0</b>	<b>0</b>
<b>Total Personnel Expenses</b>	<b>3,601,474</b>	<b>3,625,895</b>	<b>(24,421)</b>	<b>(1)</b>	<b>3,439,234</b>	<b>25,606,899</b>	<b>24,544,448</b>	<b>1,062,451</b>	<b>4</b>	<b>24,158,827</b>
<b>Non-Personnel Expenses</b>										
<b>Contract Services</b>										
61100 - Temporary Staffing	13,194	24,426	(11,232)	(85)	46,499	78,884	249,669	(170,785)	(217)	199,394
61110 - Auditing Services	2,000	0	2,000	100	15,449	151,800	154,800	(3,000)	(2)	139,449
61120 - Legal Services	66,000	50,250	15,750	24	22,000	462,000	288,574	173,426	38	111,488
61130 - Services - Professional	1,201,966	1,023,057	178,909	15	862,844	7,377,578	7,332,919	44,659	1	6,768,143
61150 - Outside Svs - Other	311,009	348,168	(37,159)	(12)	206,148	2,168,674	1,982,999	185,675	9	1,932,063
61160 - Services - Custodial	2,339,138	2,196,433	142,705	6	2,010,027	16,434,691	15,880,201	554,490	3	11,824,601
61190 - Receiving & Dist Cntr Services	134,611	133,885	726	1	131,035	926,366	922,263	4,104	0	914,875
61990 - OH Contra	(296,189)	(221,725)	(74,464)	(25)	61,224	(1,897,459)	(1,431,774)	(465,685)	(25)	(1,309,006)
<b>Total Contract Services</b>	<b>3,771,728</b>	<b>3,554,493</b>	<b>217,234</b>	<b>6</b>	<b>3,355,226</b>	<b>25,702,534</b>	<b>25,379,651</b>	<b>322,883</b>	<b>1</b>	<b>20,581,007</b>

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<b>Safety and Security</b>										
61170 - Services - Fire, Police,	\$495,720	\$462,237	\$33,483	7	\$646,965	\$3,470,038	\$3,299,788	\$170,250	5	\$3,400,954
61180 - Services - SDUPD-Harbor	1,409,445	1,349,632	59,813	4	1,288,334	10,218,473	9,551,390	667,083	7	8,807,913
61185 - Guard Services	278,333	297,775	(19,442)	(7)	266,333	1,778,333	1,895,622	(117,288)	(7)	1,733,006
61188 - Other Safety & Security Serv	90,000	112,121	(22,121)	(25)	(9,366)	830,000	823,417	6,583	1	516,268
<b>Total Safety and Security</b>	<b>2,273,497</b>	<b>2,221,765</b>	<b>51,733</b>	<b>2</b>	<b>2,192,267</b>	<b>16,296,844</b>	<b>15,570,216</b>	<b>726,628</b>	<b>4</b>	<b>14,458,141</b>
<b>Space Rental</b>										
62100 - Rent	849,288	849,963	(676)	0	869,289	5,945,013	5,944,893	120	0	6,022,977
<b>Total Space Rental</b>	<b>849,288</b>	<b>849,963</b>	<b>(676)</b>	<b>0</b>	<b>869,289</b>	<b>5,945,013</b>	<b>5,944,893</b>	<b>120</b>	<b>0</b>	<b>6,022,977</b>
<b>Utilities</b>										
63100 - Telephone & Other Commun	35,884	32,916	2,968	8	35,004	251,105	284,647	(33,542)	(13)	252,985
63110 - Utilities - Gas & Electr	882,858	882,858	0	0	841,919	7,094,745	5,677,169	1,417,576	20	6,184,225
63120 - Utilities - Water	78,580	76,026	2,554	3	81,383	588,764	631,071	(42,307)	(7)	579,730
63190 - OH Contra	0	(761)	761	0	0	0	(2,079)	2,079	0	0
<b>Total Utilities</b>	<b>997,322</b>	<b>991,039</b>	<b>6,283</b>	<b>1</b>	<b>958,307</b>	<b>7,934,614</b>	<b>6,590,809</b>	<b>1,343,806</b>	<b>17</b>	<b>7,016,940</b>
<b>Maintenance</b>										
64100 - Facilities Supplies	85,300	79,109	6,191	7	69,770	529,800	482,556	47,244	9	520,429
64110 - Maintenance - Annual R	849,135	1,096,979	(247,844)	(29)	332,617	5,883,872	6,088,549	(204,677)	(3)	5,888,078
64122 - Contractor Labor	0	2,871	(2,871)	0	0	0	3,560	(3,560)	0	0
64123 - Contractor Burden	0	0	0	0	0	0	877	(877)	0	0
64124 - Maintenance-Overhead	0	53	(53)	0	40	0	323	(323)	0	(47)
64125 - Major Maintenance - Mat	152,000	63,386	88,614	58	207,170	1,320,228	1,268,627	51,601	4	1,011,725
64127 - Contract Overhead (co	0	5,886	(5,886)	0	0	0	7,298	(7,298)	0	394
64140 - Refuse & Hazardous Waste	30,000	46,549	(16,549)	(55)	(80,103)	310,000	281,969	28,031	9	633,575
<b>Total Maintenance</b>	<b>1,116,435</b>	<b>1,294,833</b>	<b>(178,398)</b>	<b>(16)</b>	<b>529,494</b>	<b>8,043,900</b>	<b>8,133,758</b>	<b>(89,858)</b>	<b>(1)</b>	<b>8,054,155</b>
<b>Equipment and Systems</b>										
65100 - Equipment & Systems	24,498	77,608	(53,110)	(217)	38,194	207,794	190,862	16,932	8	308,404
65101 - OH Contra	(2,016)	(441)	(1,575)	(78)	(1,104)	(15,008)	(2,160)	(12,849)	(86)	(1,226)
<b>Total Equipment and Systems</b>	<b>22,482</b>	<b>77,167</b>	<b>(54,685)</b>	<b>(243)</b>	<b>37,090</b>	<b>192,786</b>	<b>188,703</b>	<b>4,083</b>	<b>2</b>	<b>307,178</b>

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Print Date: 2/10/2017  
Print Time: 4:07:42PM  
Report ID: GL0012

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	Budget	Actual	Variance Favorable (Unfavorable)	Variance Percent	Prior Year Actual	Budget	Actual	Variance Favorable (Unfavorable)	Variance Percent	Prior Year Actual
<b>Materials and Supplies</b>										
65110 - Office & Operating Suppl	\$29,916	\$48,092	\$(18,176)	(61)	\$32,840	\$236,144	\$252,831	\$(16,687)	(7)	\$250,244
65120 - Safety Equipment & Suppl	5,454	13,886	(8,432)	(155)	3,813	41,760	55,376	(13,616)	(33)	49,382
65130 - Tools - Small	1,250	4,795	(3,545)	(284)	459	8,750	32,725	(23,975)	(274)	8,366
65199 - OH Contra	(5,350)	(3,576)	(1,774)	(33)	1,844	(35,472)	(25,606)	(9,866)	(28)	(15,996)
<b>Total Materials and Supplies</b>	<b>31,270</b>	<b>63,197</b>	<b>(31,927)</b>	<b>(102)</b>	<b>38,956</b>	<b>251,182</b>	<b>315,325</b>	<b>(64,143)</b>	<b>(26)</b>	<b>291,995</b>
<b>Insurance</b>										
67170 - Insurance - Property	40,726	40,919	(194)	0	37,184	285,081	286,436	(1,355)	0	260,287
67171 - Insurance - Liability	12,170	11,825	345	3	17,254	85,192	82,775	2,417	3	120,776
67172 - Insurance - Public Offic	11,281	11,255	26	0	11,771	79,918	79,736	181	0	83,345
67173 - Insurance Miscellaneous	13,211	19,601	(6,390)	(48)	12,384	94,626	114,104	(19,478)	(21)	88,798
<b>Total Insurance</b>	<b>77,388</b>	<b>83,600</b>	<b>(6,212)</b>	<b>(8)</b>	<b>78,593</b>	<b>544,817</b>	<b>563,052</b>	<b>(18,235)</b>	<b>(3)</b>	<b>553,206</b>
<b>Employee Development and Suppo</b>										
66120 - Awards - Service	5,000	7,946	(2,946)	(59)	444	55,500	47,982	7,518	14	17,199
66130 - Book & Periodicals	6,409	3,079	3,330	52	2,733	43,288	17,437	25,851	60	29,746
66220 - Permits/Certificates/Lic	7,931	8,253	(322)	(4)	3,596	144,555	108,041	36,514	25	94,603
66260 - Recruiting	1,620	3,588	(1,968)	(121)	582	11,350	7,671	3,679	32	10,643
66280 - Seminars & Training	61,179	41,470	19,709	32	31,391	259,604	202,558	57,046	22	226,066
66290 - Transportation	12,700	12,045	655	5	11,370	93,330	82,370	10,960	12	83,852
66299 - OH Contra	(4,431)	(1,337)	(3,094)	(70)	(52)	(34,160)	(16,943)	(17,217)	(50)	(14,980)
66305 - Travel-Employee Developm	19,755	9,994	9,761	49	12,402	155,628	138,489	17,139	11	145,112
66310 - Tuition	5,000	7,721	(2,721)	(54)	9,647	35,000	17,623	17,377	50	29,249
66320 - Uniforms	5,583	804	4,779	86	5,575	43,733	25,264	18,469	42	34,294
<b>Total Employee Development and Suppo</b>	<b>120,746</b>	<b>93,562</b>	<b>27,184</b>	<b>23</b>	<b>77,688</b>	<b>807,829</b>	<b>630,493</b>	<b>177,336</b>	<b>22</b>	<b>655,785</b>
<b>Business Development</b>										
66100 - Advertising	107,854	55,526	52,328	49	(16,237)	560,559	462,067	98,492	18	130,323
66110 - Allowance for Bad Debts	0	0	0	0	0	5,000	(3,910)	8,910	178	123,521
66200 - Memberships & Dues	23,481	28,911	(5,431)	(23)	39,394	206,291	221,751	(15,461)	(7)	199,100
66230 - Postage & Shipping	2,400	579	1,821	76	452	17,748	9,955	7,793	44	13,464
66240 - Promotional Activities	79,111	18,597	60,514	76	69,782	442,159	300,465	141,694	32	308,189
66250 - Promotional Materials	2,704	1,417	1,287	48	52,147	53,077	56,964	(3,886)	(7)	236,945
66300 - Travel-Business Developm	8,635	12,607	(3,972)	(46)	5,375	114,607	121,926	(7,319)	(6)	62,291
<b>Total Business Development</b>	<b>224,185</b>	<b>117,638</b>	<b>106,547</b>	<b>48</b>	<b>150,912</b>	<b>1,399,441</b>	<b>1,169,218</b>	<b>230,223</b>	<b>16</b>	<b>1,073,834</b>

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Report ID: GL0012

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	Budget	Actual	Variance Favorable (Unfavorable)	Variance Percent	Prior Year Actual	Budget	Actual	Variance Favorable (Unfavorable)	Variance Percent	Prior Year Actual
<b>Equipment Rentals and Repairs</b>										
66140 - Computer Licenses & Agre	\$57,425	\$(32,305)	\$89,730	156	\$10,526	\$285,087	\$174,712	\$110,375	39	\$158,808
66150 - Equipment Rental/Leasing	34,322	32,209	2,113	6	34,008	170,695	158,323	12,372	7	167,218
66160 - Tenant Improvements	115,000	26,403	88,597	77	19,567	535,000	267,695	267,305	50	290,339
66270 - Repairs - Office Equipme	179,021	182,710	(3,689)	(2)	147,564	1,375,597	1,311,687	63,910	5	1,021,655
66279 - OH Contra	(17,076)	(1,450)	(15,625)	(92)	(18,496)	(172,536)	(96,028)	(76,507)	(44)	(116,816)
<b>Total Equipment Rentals and Repairs</b>	<b>368,693</b>	<b>207,567</b>	<b>161,126</b>	<b>44</b>	<b>193,169</b>	<b>2,193,844</b>	<b>1,816,389</b>	<b>377,455</b>	<b>17</b>	<b>1,521,205</b>
<b>Total Non-Personnel Expenses</b>	<b>9,853,034</b>	<b>9,554,825</b>	<b>298,209</b>	<b>3</b>	<b>8,480,990</b>	<b>69,312,804</b>	<b>66,302,507</b>	<b>3,010,296</b>	<b>4</b>	<b>60,536,420</b>
<b>Total Departmental Expenses before</b>	<b>13,454,508</b>	<b>13,180,720</b>	<b>273,788</b>	<b>2</b>	<b>11,920,225</b>	<b>94,919,703</b>	<b>90,846,955</b>	<b>4,072,748</b>	<b>4</b>	<b>84,695,247</b>
<b>Depreciation and Amortization</b>										
69110 - Depreciation Expense	7,898,484	7,898,484	0	0	6,843,324	53,544,281	53,544,280	0	0	47,009,508
<b>Total Depreciation and Amortization</b>	<b>7,898,484</b>	<b>7,898,484</b>	<b>0</b>	<b>0</b>	<b>6,843,324</b>	<b>53,544,281</b>	<b>53,544,280</b>	<b>0</b>	<b>0</b>	<b>47,009,508</b>
<b>Non-Operating Revenue/(Expense)</b>										
<b>Passenger Facility Charges</b>										
71110 - Passenger Facility Charg	2,120,629	2,110,335	(10,293)	0	2,056,691	21,316,283	21,349,987	33,704	0	20,863,412
<b>Total Passenger Facility Charges</b>	<b>2,120,629</b>	<b>2,110,335</b>	<b>(10,293)</b>	<b>0</b>	<b>2,056,691</b>	<b>21,316,283</b>	<b>21,349,987</b>	<b>33,704</b>	<b>0</b>	<b>20,863,412</b>
<b>Customer Facility Charges</b>										
71120 - Customer facility charges (Con	3,074,480	3,057,751	(16,729)	(1)	2,470,582	20,023,048	19,816,297	(206,751)	(1)	19,195,123
<b>Total Customer Facility Charges</b>	<b>3,074,480</b>	<b>3,057,751</b>	<b>(16,729)</b>	<b>(1)</b>	<b>2,470,582</b>	<b>20,023,048</b>	<b>19,816,297</b>	<b>(206,751)</b>	<b>(1)</b>	<b>19,195,123</b>
<b>Quieter Home Program</b>										
71212 - Quieter Home - Labor	0	(307)	(307)	0	(19,907)	0	(47,595)	(47,595)	0	(197,524)
71213 - Quieter Home - Burden	0	(152)	(152)	0	(8,726)	0	(20,048)	(20,048)	0	(85,639)
71214 - Quieter Home - Overhead	0	0	0	0	(13,575)	0	(99,109)	(99,109)	0	(162,696)
71215 - Quieter Home - Material	(1,285,639)	(94,796)	1,190,842	93	(1,140,546)	(6,943,885)	(1,398,866)	5,545,019	80	(7,313,039)
71216 - Quieter Home Program	1,028,511	(7,946)	(1,036,457)	(101)	598,162	5,555,109	1,103,119	(4,451,990)	(80)	5,928,817
71217 - Contract Labor	0	0	0	0	(3,670)	0	(53)	(53)	0	(38,554)
71218 - Contractor Burden	0	0	0	0	(4,671)	0	(68)	(68)	0	(49,069)
71224 - Joint Studies Overhead	0	0	0	0	0	0	0	0	0	(23)
71225 - Joint Studies - Material	(25,000)	0	25,000	100	14,673	(175,000)	0	175,000	100	(61,196)
<b>Total Quieter Home Program</b>	<b>(282,128)</b>	<b>(103,201)</b>	<b>178,926</b>	<b>63</b>	<b>(578,260)</b>	<b>(1,563,776)</b>	<b>(462,621)</b>	<b>1,101,156</b>	<b>70</b>	<b>(1,978,922)</b>

**San Diego County Regional Airport Authority**  
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Report ID: GL0012

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	Budget	Actual	Variance Favorable (Unfavorable)	Variance Percent	Prior Year Actual	Budget	Actual	Variance Favorable (Unfavorable)	Variance Percent	Prior Year Actual
<b>Interest Income</b>										
71310 - Interest - Investments	\$378,733	\$419,994	\$41,262	11	\$(144,243)	\$2,692,303	\$2,539,226	\$(153,077)	(6)	\$1,327,914
71340 - Interest - Note Receivab	167,773	167,774	1	0	175,501	1,177,158	1,177,161	3	0	1,230,017
71350 - Interest - Other	0	208	208	0	0	0	4,105	4,105	0	(858)
71360 - Interest - Bonds	0	0	0	0	0	0	0	0	0	(2,278)
71361 - Interest Income - 2010 Bonds	0	68,824	68,824	0	75,016	0	306,785	306,785	0	240,720
71363 - Interest Income - 2013 Bonds	0	23,601	23,601	0	63,982	0	216,788	216,788	0	239,729
71365 - Interest Income - 2014 Bond A	0	24,241	24,241	0	95,584	0	198,544	198,544	0	337,185
<b>Total Interest Income</b>	<b>546,506</b>	<b>704,642</b>	<b>158,136</b>	<b>29</b>	<b>265,839</b>	<b>3,869,461</b>	<b>4,442,610</b>	<b>573,148</b>	<b>15</b>	<b>3,372,428</b>
<b>Interest income BAB's rebate</b>										
71362 - BAB interest rebate	385,935	385,851	(84)	0	385,851	2,701,544	2,711,453	9,908	0	2,713,951
<b>Total Interest income BAB's rebate</b>	<b>385,935</b>	<b>385,851</b>	<b>(84)</b>	<b>0</b>	<b>385,851</b>	<b>2,701,544</b>	<b>2,711,453</b>	<b>9,908</b>	<b>0</b>	<b>2,713,951</b>
<b>Interest Expense</b>										
71411 - Interest Expense- 2010 Bonds	(2,559,687)	(2,559,687)	0	0	(2,595,983)	(17,917,812)	(17,917,812)	0	0	(18,171,882)
71412 - Interest Expense 2013 Bonds	(1,529,163)	(1,529,163)	0	0	(1,534,550)	(10,704,138)	(10,704,138)	0	0	(10,741,850)
71413 - Interest Expense 2014 Bond A	(1,361,768)	(1,361,768)	0	0	(1,361,768)	(9,532,373)	(9,532,373)	0	0	(9,532,373)
71420 - Interest Expense-Variable Debt	(37,391)	(48,115)	(10,725)	(29)	(27,460)	(261,736)	(235,297)	26,439	10	(167,868)
71430 - LOC Fees - C/P	(57,491)	(21,289)	36,201	63	(24,834)	(235,417)	(187,223)	48,194	20	(190,751)
71450 - Trustee Fee Bonds	(6,933)	(3,300)	3,633	52	(6,050)	(13,867)	(10,350)	3,517	25	(6,050)
71451 - Program Fees - Variable Debt	0	0	0	0	0	(5,000)	0	5,000	100	(3,300)
71458 - Capitalized Interest	0	452,410	452,410	0	499,991	0	3,192,306	3,192,306	0	4,794,788
71460 - Interest Expense - Other	0	(15,000)	(15,000)	0	0	0	(15,000)	(15,000)	0	(1,000)
71461 - Interest Expense - Cap Leases	(61,629)	(55,967)	5,662	9	(57,460)	(280,133)	(394,461)	(114,329)	(41)	(404,678)
<b>Total Interest Expense</b>	<b>(5,614,061)</b>	<b>(5,141,879)</b>	<b>472,182</b>	<b>8</b>	<b>(5,108,114)</b>	<b>(38,950,474)</b>	<b>(35,804,347)</b>	<b>3,146,127</b>	<b>8</b>	<b>(34,424,964)</b>
<b>Amortization</b>										
69210 - Amortization - Premium	345,786	345,786	0	0	353,310	2,433,840	2,433,840	0	0	2,485,973
<b>Total Amortization</b>	<b>345,786</b>	<b>345,786</b>	<b>0</b>	<b>0</b>	<b>353,310</b>	<b>2,433,840</b>	<b>2,433,840</b>	<b>0</b>	<b>0</b>	<b>2,485,973</b>

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<b>Other Non-Operating Income (Expense)</b>										
71510 - Legal Settlement Income	\$0	\$0	\$0	0	\$0	\$0	\$0	\$0	0	\$2,535
71520 - Fixed Asset Disposal-Pro	0	0	0	0	0	0	0	0	0	1,142,573
71530 - Gain/Loss On Investments	0	34,053	34,053	0	1,755,112	0	(2,222,485)	(2,222,485)	0	(641,272)
71540 - Discounts Earned	0	0	0	0	0	0	10,994	10,994	0	11,849
71610 - Legal Settlement Expense	(833)	0	833	100	(5,000)	(5,831)	0	5,831	100	(374,632)
71620 - Other non-operating revenue (e	0	39,362	39,362	0	6,236	0	80,277	80,277	0	42,100
71630 - Other Non-Operating Expe	0	2,000	2,000	0	0	0	2,000	2,000	0	0
73300 - DMJM and Auth OH Clearin	0	0	0	0	0	0	0	0	0	0
<b>Total Other Non-Operating Income (Expense)</b>	<b>(833)</b>	<b>75,415</b>	<b>76,248</b>	<b>9,153</b>	<b>1,756,348</b>	<b>(5,831)</b>	<b>(2,129,214)</b>	<b>(2,123,383)</b>	<b>(36,415)</b>	<b>183,154</b>
<b>Total Non-Operating Revenue/(Expense)</b>	<b>576,314</b>	<b>1,434,700</b>	<b>858,387</b>	<b>149</b>	<b>(1,602,246)</b>	<b>9,824,095</b>	<b>12,358,004</b>	<b>2,533,909</b>	<b>26</b>	<b>(12,410,155)</b>
<b>Capital Grant Contribution</b>										
72100 - AIP Grants	149,667	1,028,681	879,014	587	(577,082)	601,663	1,245,980	644,317	107	10,200,173
<b>Total Capital Grant Contribution</b>	<b>149,667</b>	<b>1,028,681</b>	<b>879,014</b>	<b>587</b>	<b>(577,082)</b>	<b>601,663</b>	<b>1,245,980</b>	<b>644,317</b>	<b>107</b>	<b>10,200,173</b>
<b>Total Expenses Net of Non-Operating Revenue/ (Expense)</b>	<b>20,627,011</b>	<b>18,615,823</b>	<b>2,011,188</b>	<b>10</b>	<b>17,738,385</b>	<b>138,038,226</b>	<b>130,787,251</b>	<b>7,250,975</b>	<b>5</b>	<b>109,094,427</b>
<b>Net Income/(Loss)</b>	<b>(1,271,390)</b>	<b>1,495,535</b>	<b>2,766,925</b>	<b>218</b>	<b>694,478</b>	<b>2,964,903</b>	<b>15,487,438</b>	<b>12,522,536</b>	<b>422</b>	<b>23,104,020</b>
<b>Equipment Outlay</b>										
73200 - Equipment Outlay Expendi	(4,200)	(113,713)	(109,513)	(2,607)	(188,384)	(974,550)	(1,593,024)	(618,474)	(63)	(730,608)
73299 - Capitalized Equipment Co	0	113,713	113,713	0	188,384	0	1,593,024	1,593,024	0	730,608
<b>Total Equipment Outlay</b>	<b>(4,200)</b>	<b>0</b>	<b>4,200</b>	<b>100</b>	<b>0</b>	<b>(974,550)</b>	<b>0</b>	<b>974,550</b>	<b>100</b>	<b>0</b>



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INTERNATIONAL AIRPORT

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## Review of the Unaudited Financial Statements for the Seven Months Ended January 31, 2017 and 2016

Presented by:

Scott Brickner, CPA

Vice President, Finance and Asset Management/Treasurer

Kathy Kiefer

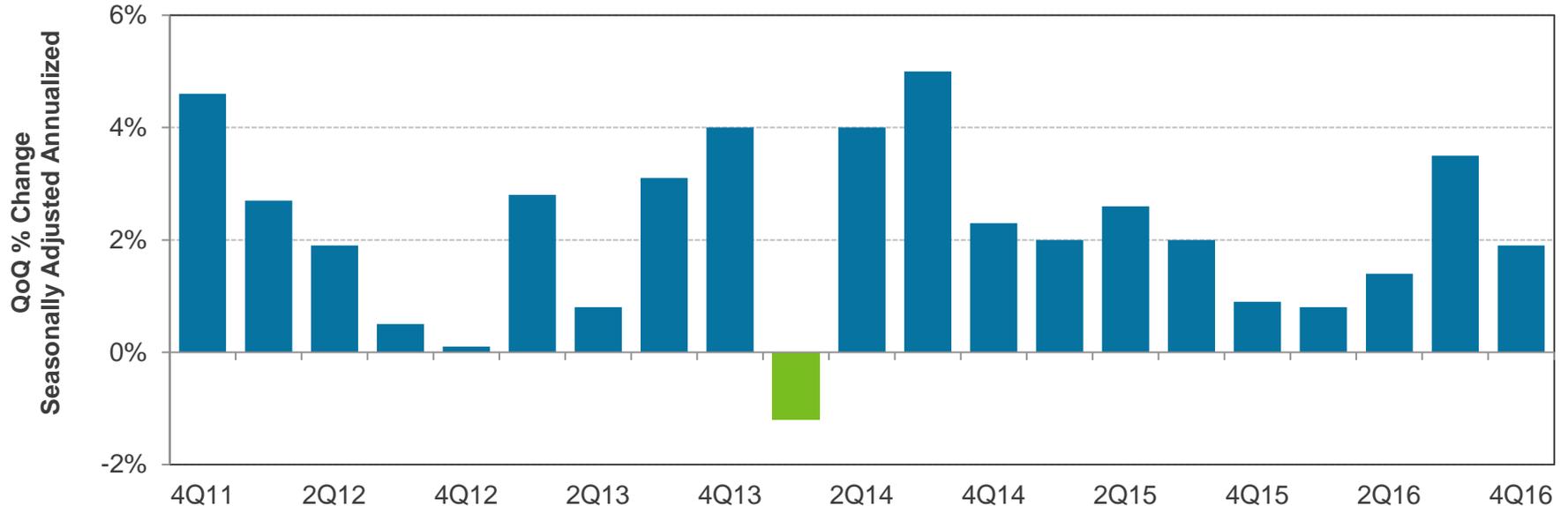
Senior Director, Finance & Asset Management

February 21, 2017

# Fourth Quarter GDP

Fourth quarter GDP increased at an annual rate of 1.9% (advanced estimate). This increase in GDP growth reflects positive contributions from personal consumption, gross private investment, and net exports. Gross private investment has returned to positive territory, driven entirely by a large increase in private inventories, after three straight quarters of negative contributions to GDP.

**U.S. Gross Domestic Product (QoQ)**  
Fourth Quarter 2011 – Fourth Quarter 2016



# Initial Claims For Unemployment

For the week ending January 28, initial claims for unemployment (seasonally adjusted) decreased by 14,000 to 246,000. The 4-week moving average, which helps smooth out some of the weekly volatility, increased by 2,250 to 248,000. The overall level of claims remains low suggesting continued strength in the labor markets.

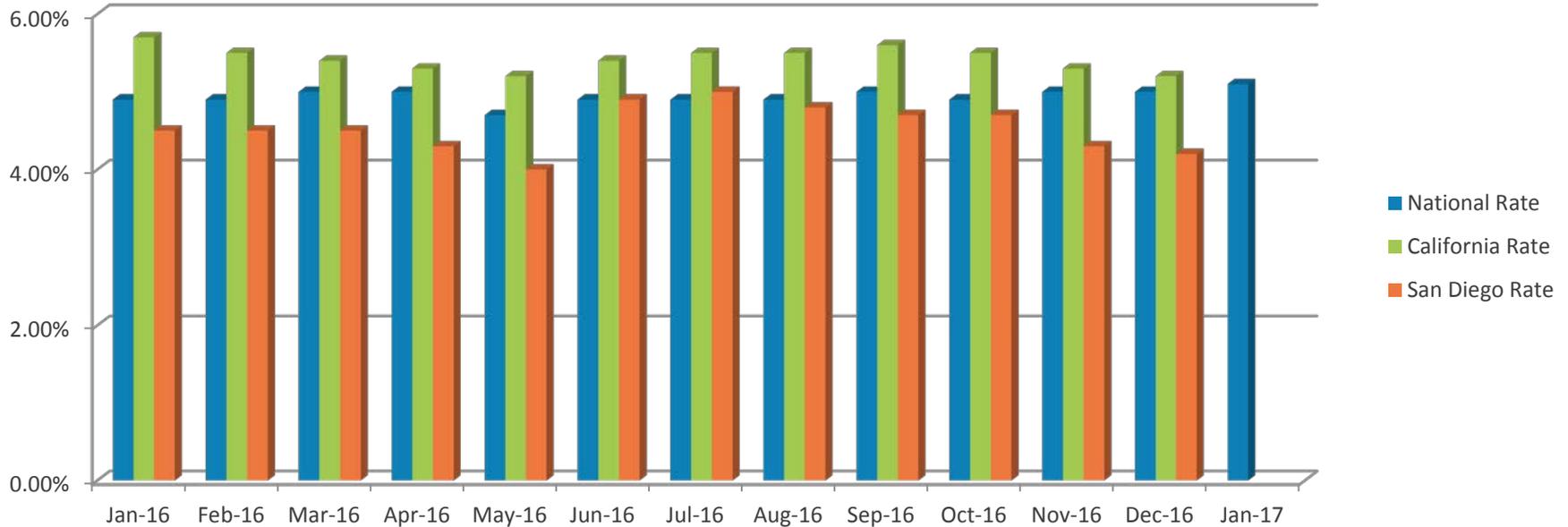
**Initial Jobless Claims and 4-Week Moving Average**  
January 2012 – January 2017



# Unemployment Rates

The National unemployment rate increased slightly from 5.0 percent in December to 5.1 percent in January. The National U-6 rate increased to 9.4 percent in January, up from 9.2 percent in December. Currently, there is no data available for California and San Diego unemployment rates.

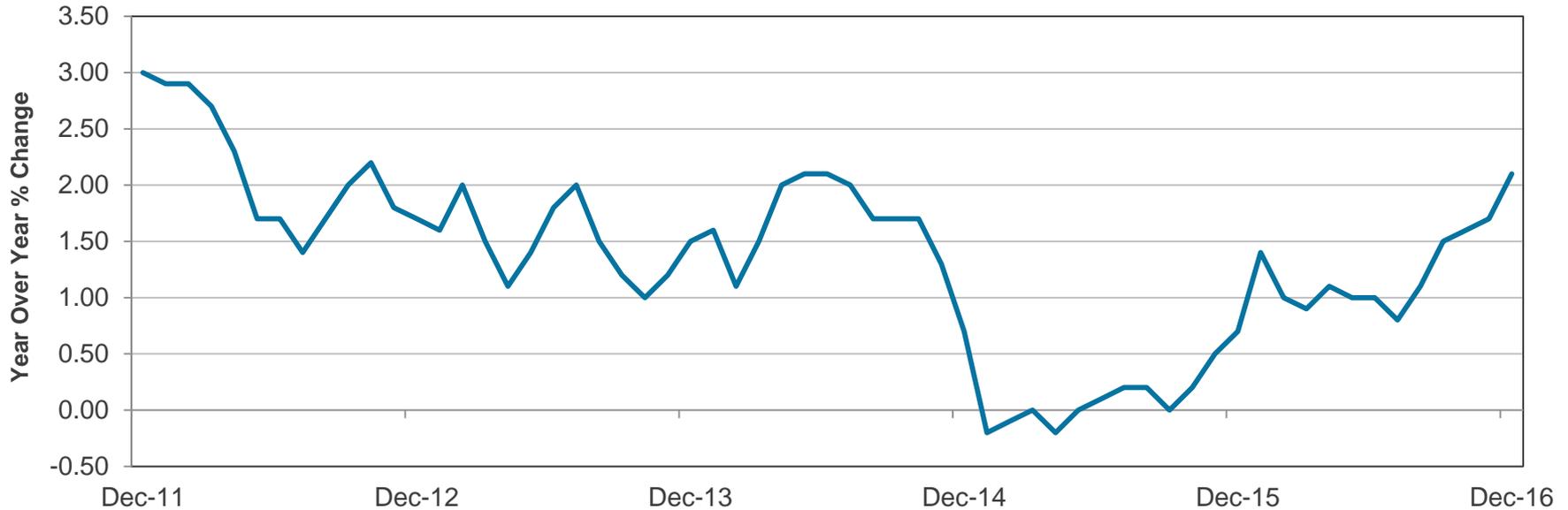
## Unemployment Rates



# Consumer Price Index

The Consumer Price Index (CPI) for the twelve months ending December rose by 2.10%, compared to a 1.70%, increase in November. Core CPI, excluding food and energy, was up 2.2% for the twelve months ending December, compared to a 2.1%, increase in November.

**Consumer Price Index (YoY%)**  
December 2011 – December 2016

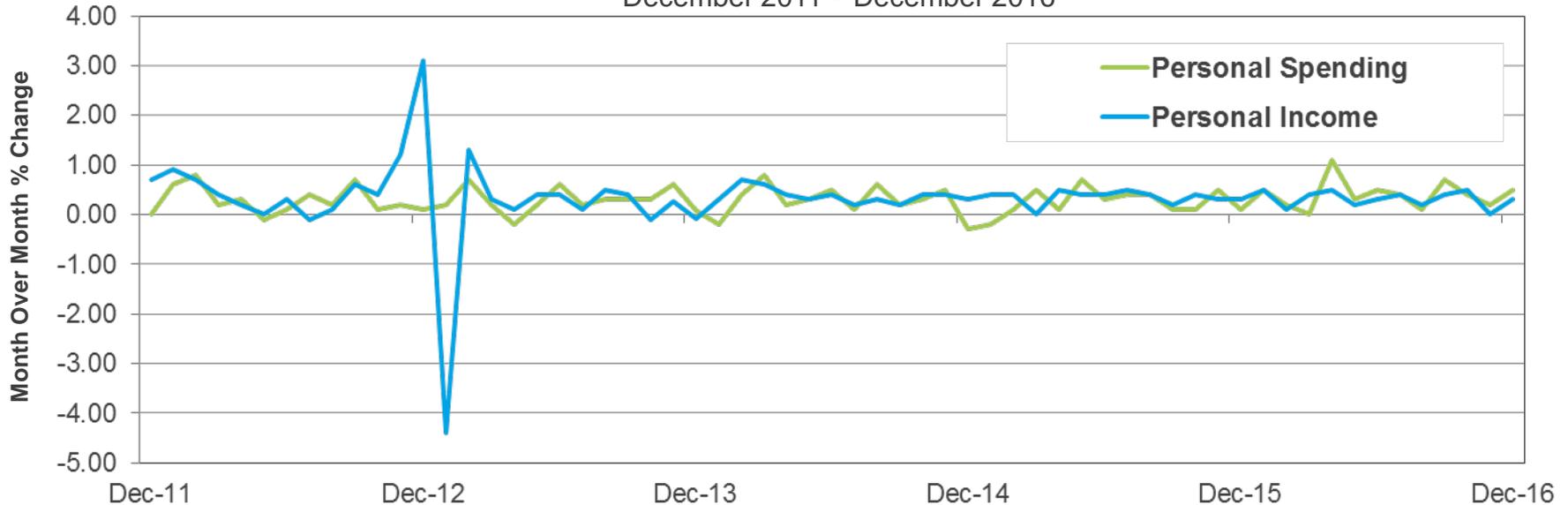


# Personal Income and Spending

The overall picture for the consumer was strong in December. Personal income experienced a 0.30% increase compared to no increase in November. Consumer spending increased in December by 0.50%, an increase from 0.20% growth in November.

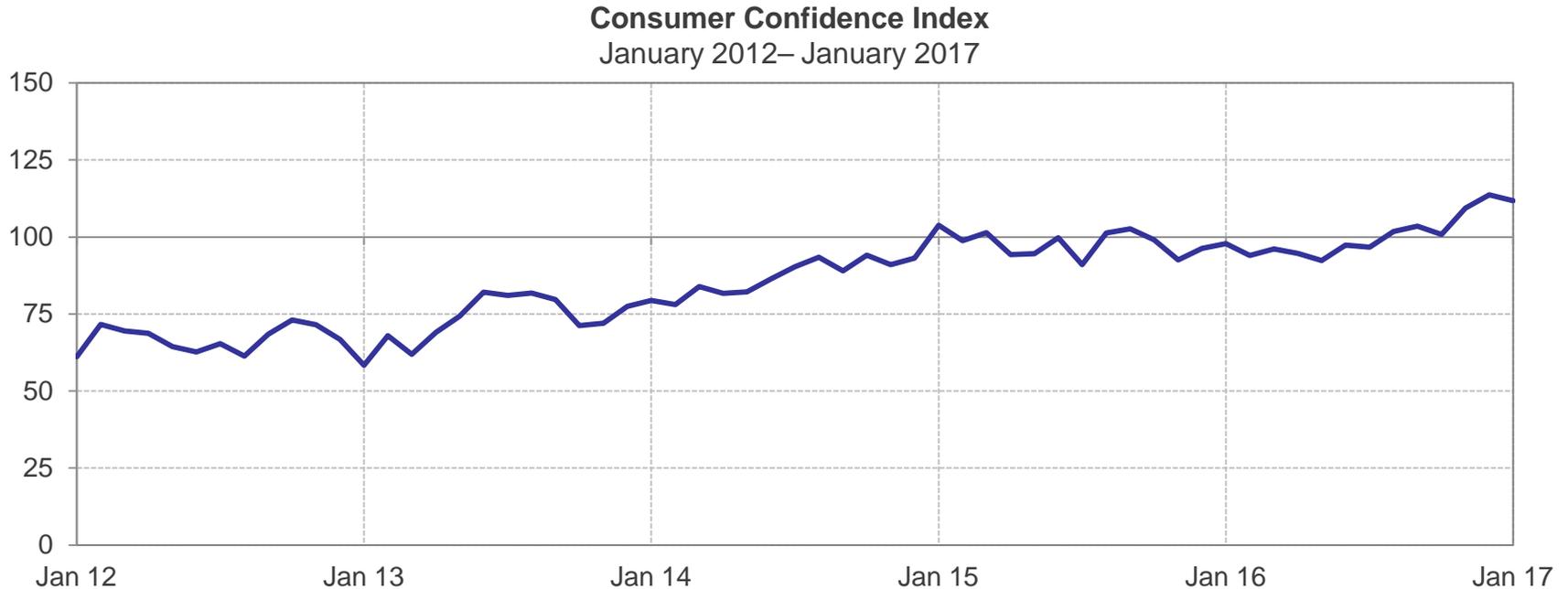
**Personal Income and Spending (MoM%)**

December 2011 – December 2016



# Consumer Confidence Index

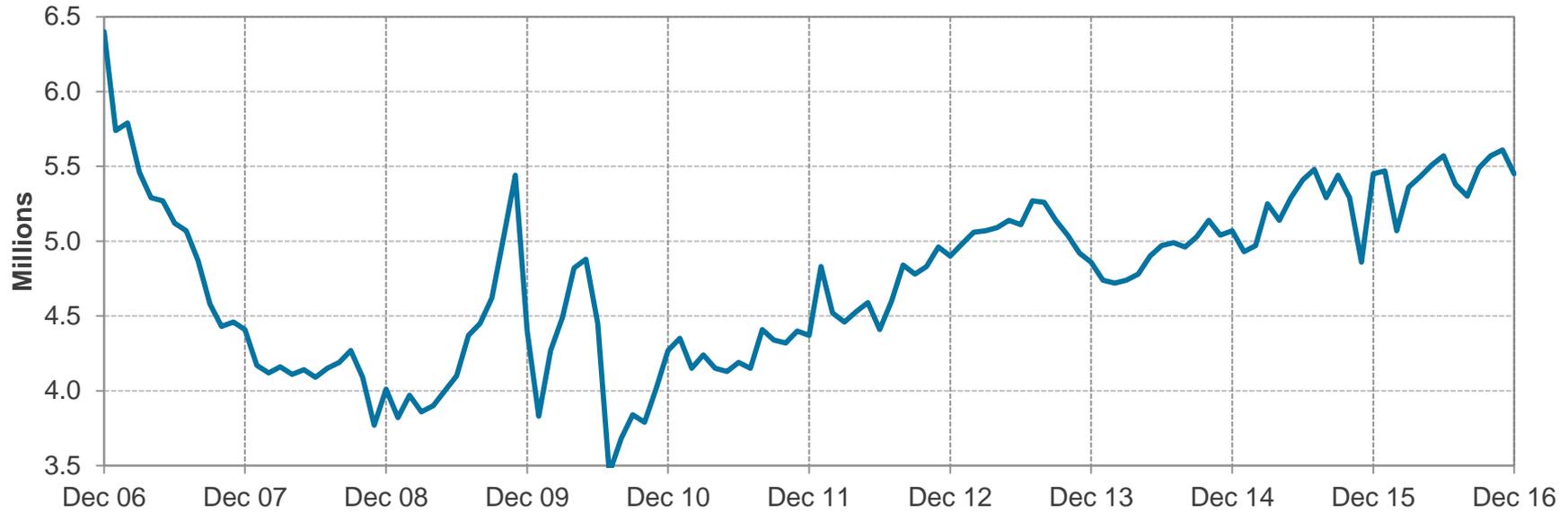
The Consumer Confidence Index declined slightly to 111.8 in January, which was down 1.9 points from December's 113.7 reading, which was a 15-year high.



# Existing Home Sales

Existing home sales fell by 2.8% in December to a seasonally adjusted rate of 5.49 million units. For the entire year, existing home sales totaled 5.45 million units, the market's best year since the Great Recession. Solid job creation and low mortgage rates translated into a good year, but higher mortgage rates and home prices combined with record low inventory stunted sales in December.

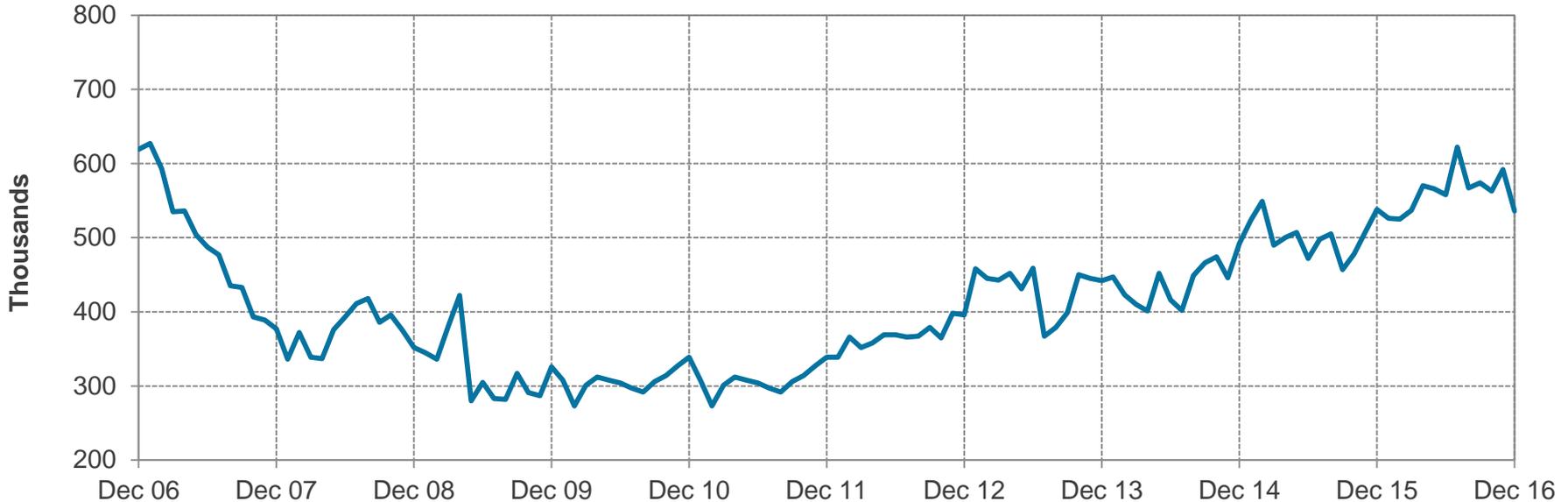
**U.S. Existing Home Sales (MoM)**  
December 2006– December 2016



# New Home Sales

New homes sales declined by 10.4% in December to a seasonally adjusted annualized rate of 536,000 units, which was much worse than market expectations of a 1% drop. For 2016 as a whole, new home sales were up 12.2% to 563,000 units, the highest since 2007.

**U.S. New Home Sales**  
December 2006 – December 2016



# Crude Oil Prices

Oil (WTI spot) closed at \$52.50 on January 31, which is up slightly from its 30 day average of \$51.75. For January as a whole, oil has traded in a higher trading range compared to December when OPEC announced a deal to cut production, which took effect on January 1. Crude oil is now 18.0% above its 12-month average of \$44.01.

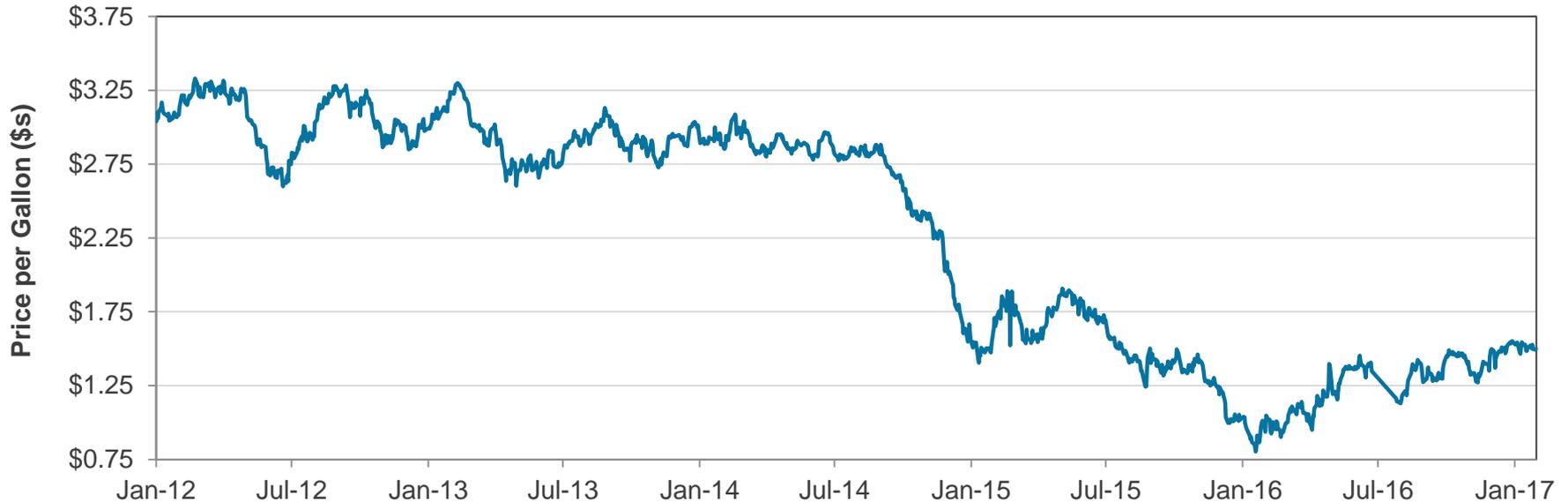
**West Texas Intermediate Oil Price Per Barrel (WTI Spot)**  
January 3, 2012 – January 31, 2017



# Jet Fuel Prices

Jet fuel has trended higher recently on higher crude oil prices. Jet fuel (U.S. Gulf Coast Spot) closed at \$1.50 on January 31, which was slightly below its 30-day average. Jet fuel is now 16.4% above its 12-month average of \$1.27.

**U.S. Gulf Coast Kerosene-Type Jet Fuel Spot Price FOB**  
January 3, 2012– January 31, 2017



# U.S. Equity Markets

After rising sharply following the Presidential election on expectations that his policies will be more pro-growth, the equity markets have been trading in a higher range for the past couple of weeks. Year-to-date, the DJIA is up 1.47% and the S&P 500 is up 2.40%. For 2016, the DJIA was up 13.42% and the S&P 500 was up 9.54%.

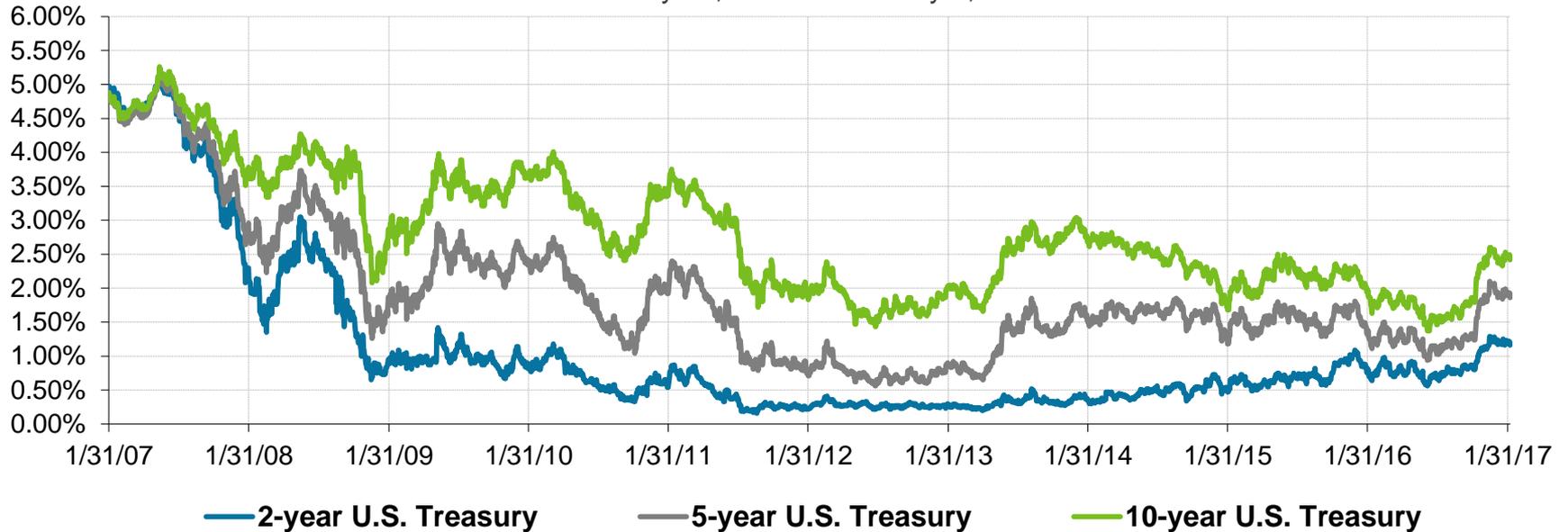
**Dow Jones Industrial Average (DJIA) and S&P 500 Indices**  
January 1, 2012 – February 6, 2017



# Treasury Yield History

Treasury yields have dropped in recent weeks after rising sharply following the Presidential election. Longer maturities have fallen more, but remain well above their pre-election levels.

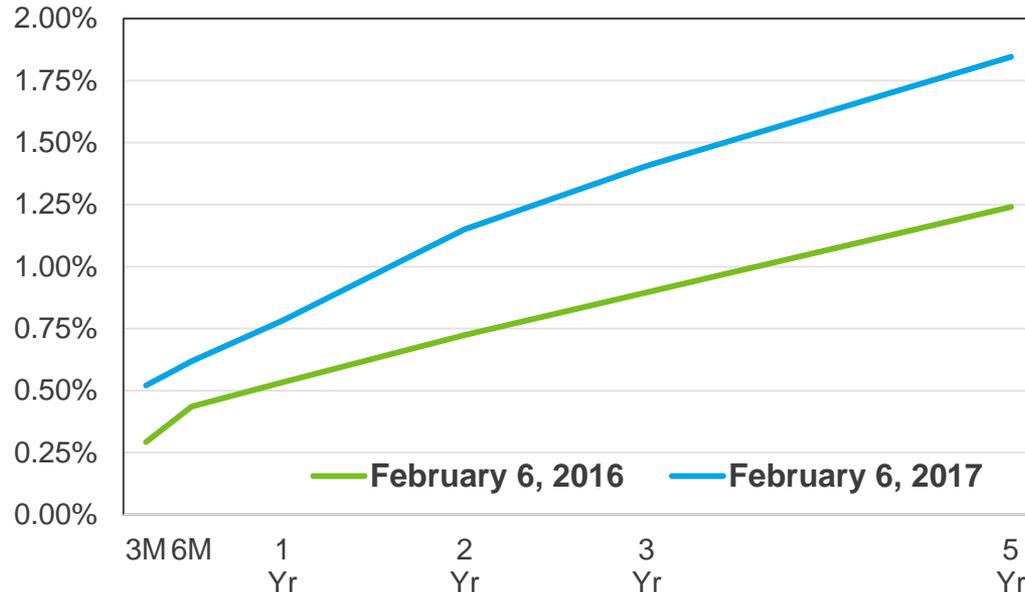
**2-, 10- and 30-year U.S. Treasury Yields**  
January 31, 2007 – February 6, 2017



# U.S. Treasury Yield Curve

Compared to last year, the yield curve has steepened. This can be attributed to the market's reaction to the recent Presidential election as well as the recent rate hike on better economic and inflationary data.

**U.S. Treasury Yield Curve**  
February 6, 2016 versus February 6, 2017



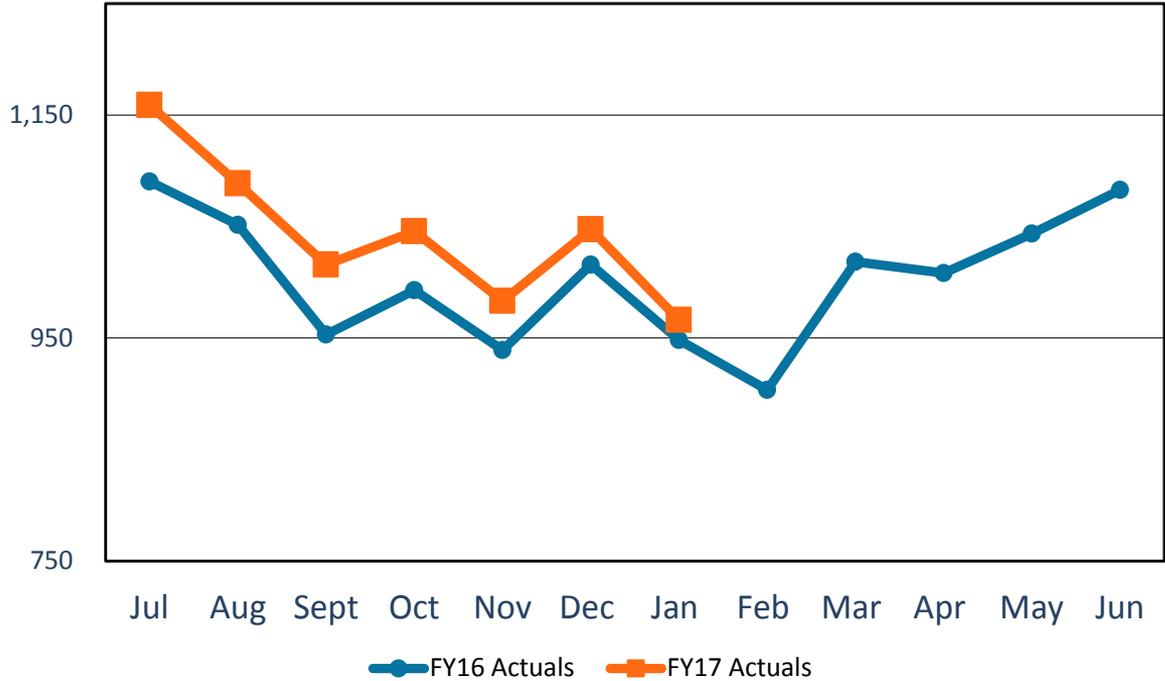
	2/6/16	2/6/17	Change
<b>3-Mo.</b>	0.29%	0.52%	0.23%
<b>6-Mo.</b>	0.44%	0.62%	0.18%
<b>1-Yr.</b>	0.53%	0.78%	0.25%
<b>2-Yr.</b>	0.72%	1.15%	0.43%
<b>3-Yr.</b>	0.90%	1.41%	0.51%
<b>5-Yr.</b>	1.24%	1.85%	0.61%
<b>10-Yr.</b>	1.84%	2.41%	0.57%
<b>30-Yr.</b>	2.67%	3.05%	0.38%



# Revenue & Expenses (Unaudited) For the Month Ended January 31, 2017 and 2016

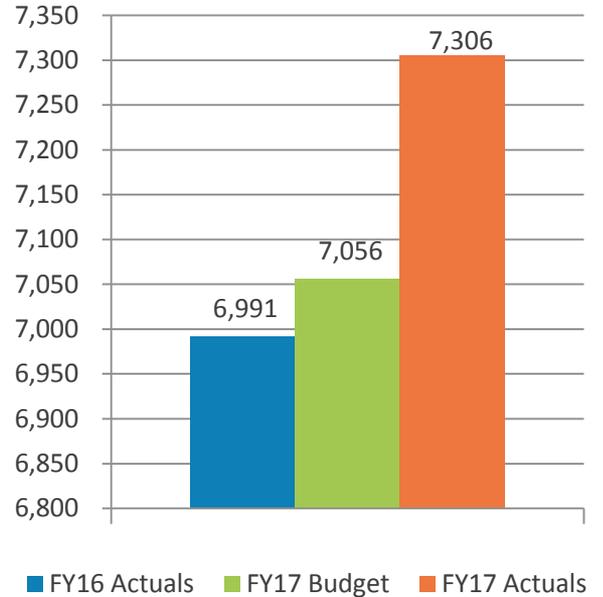
# Gross Landing Weight Units (000 lbs)

(000's)



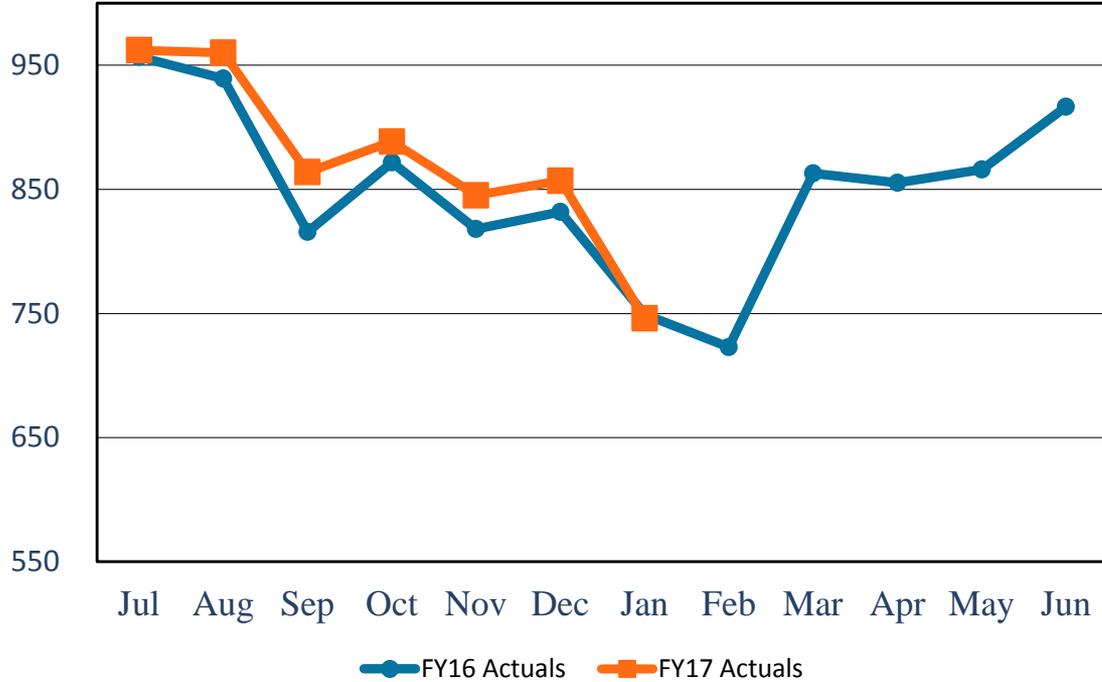
FY17 YTD Act Vs.  
FY16 YTD Act  
4.5%

FY17 YTD Act Vs.  
FY17 YTD Budget  
3.5%



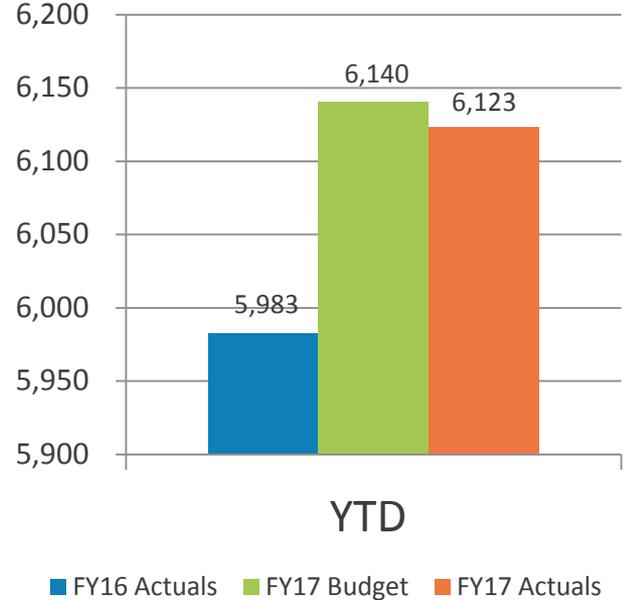
# Enplanements

(000's)

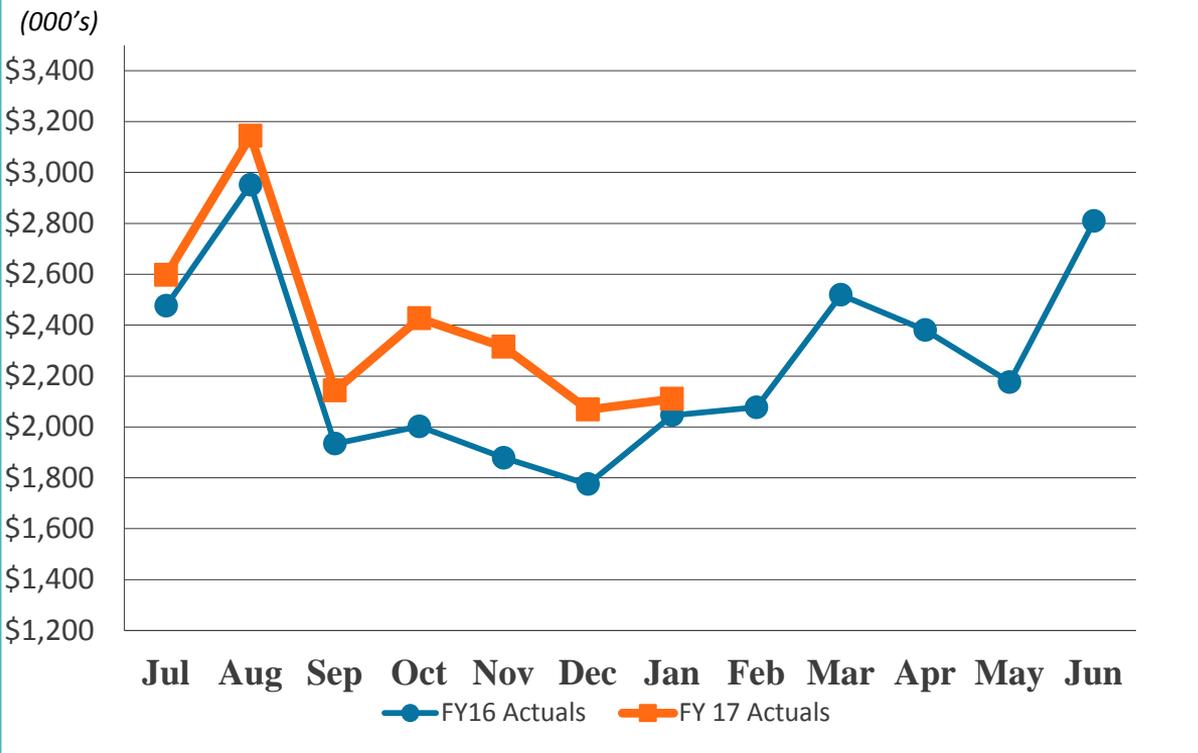


FY17 YTD Act Vs.  
FY16 YTD Act  
2.3%

FY17 YTD Act Vs.  
FY17 YTD Budget  
-0.3%

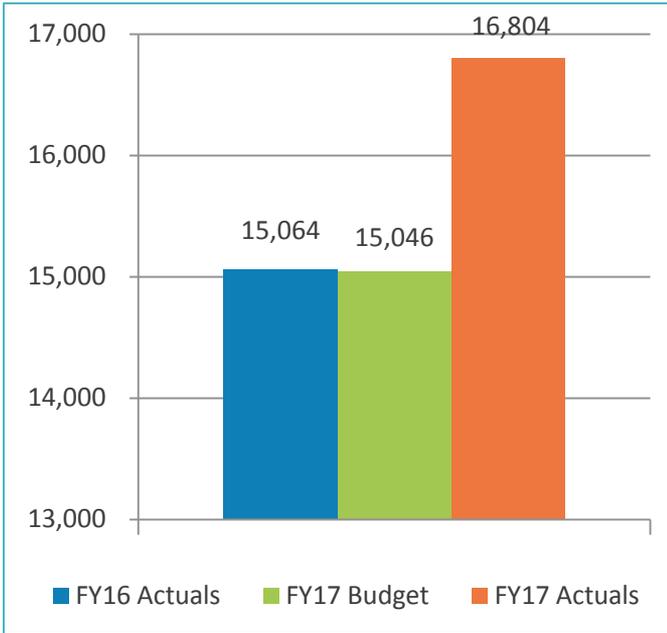


# Car Rental License Fees

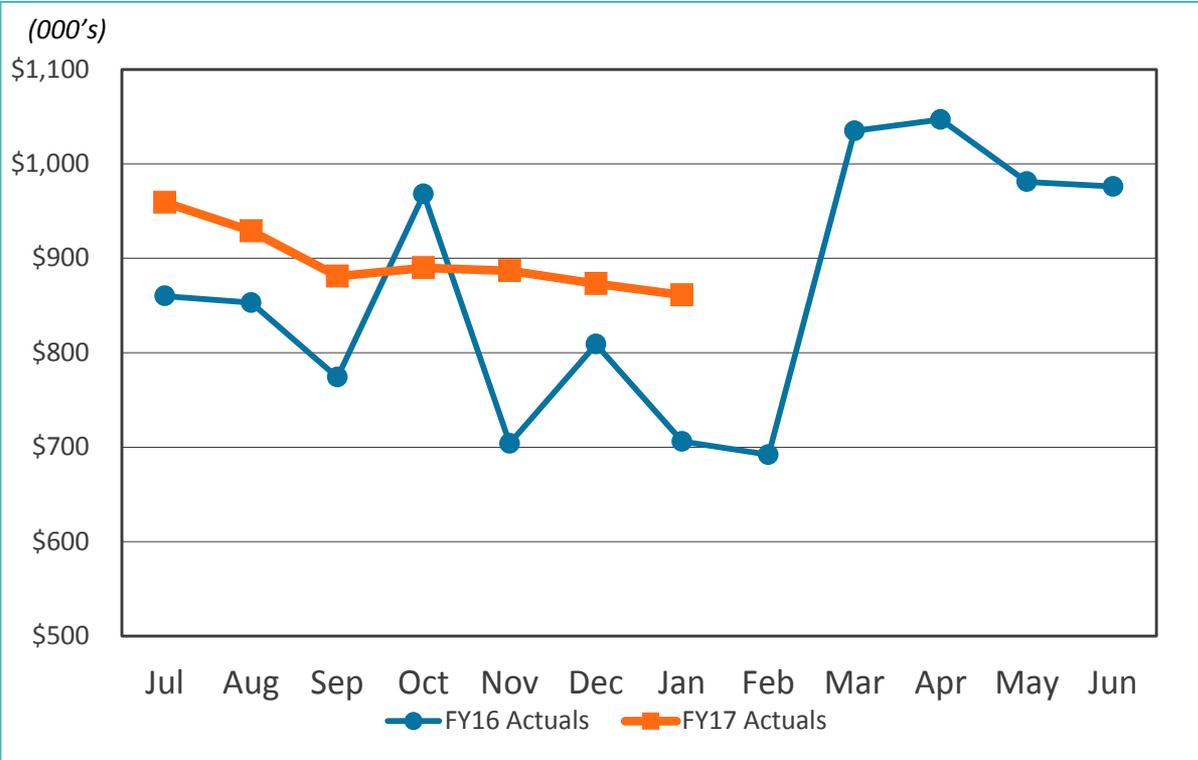


FY17 YTD Act Vs.  
FY16 YTD Act  
11.5%

FY17 YTD Act Vs.  
FY17 YTD Budget  
11.6%

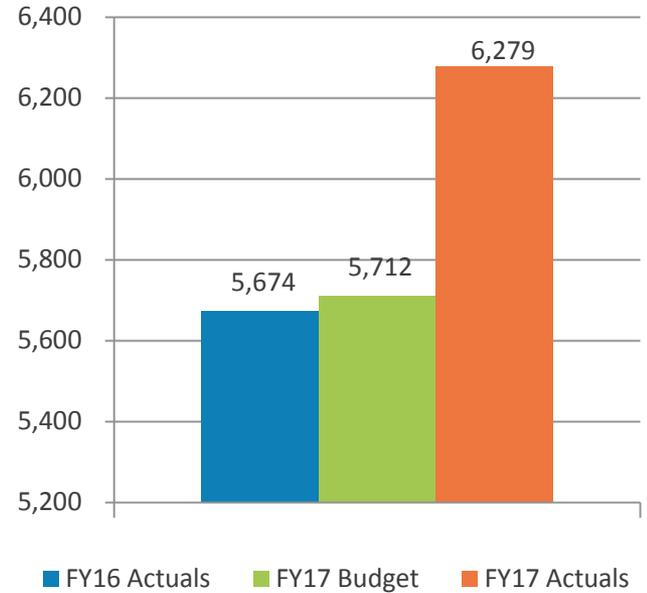


# Food and Beverage Concessions Revenue

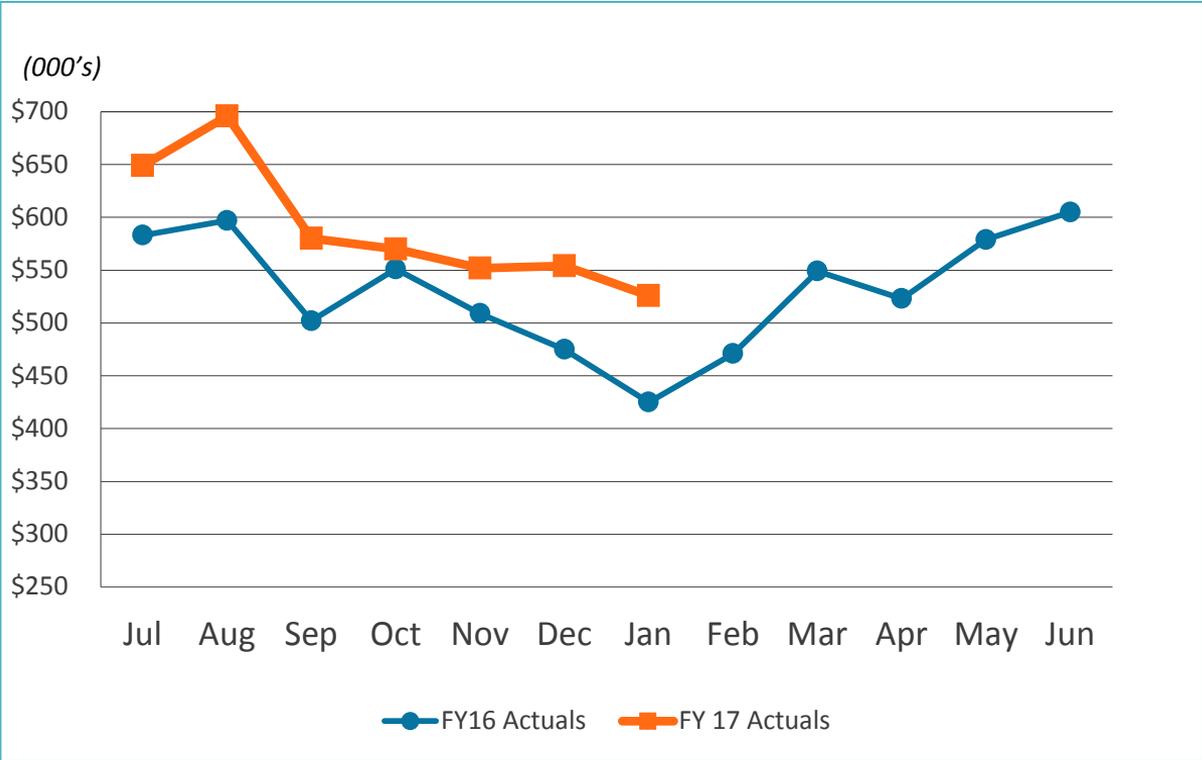


FY17 YTD Act Vs.  
FY16 YTD Act  
10.6%

FY17 YTD Act Vs.  
FY17 YTD Budget  
9.9%

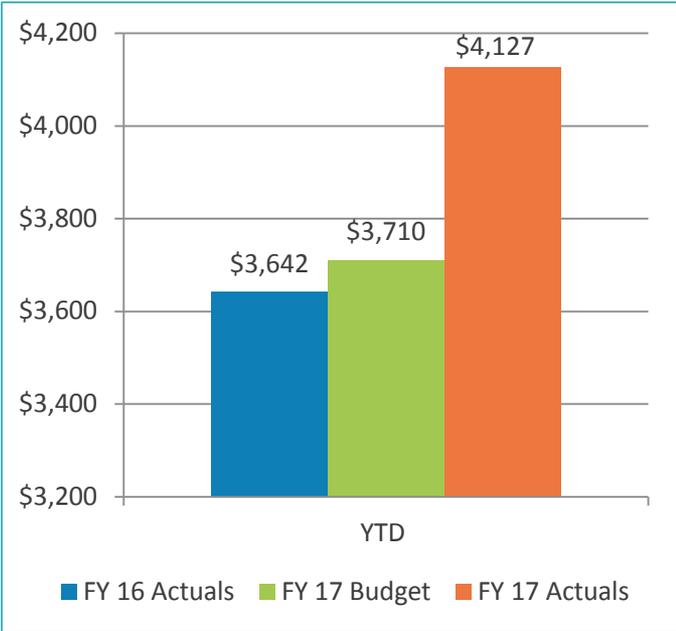


# Retail Concessions Revenue

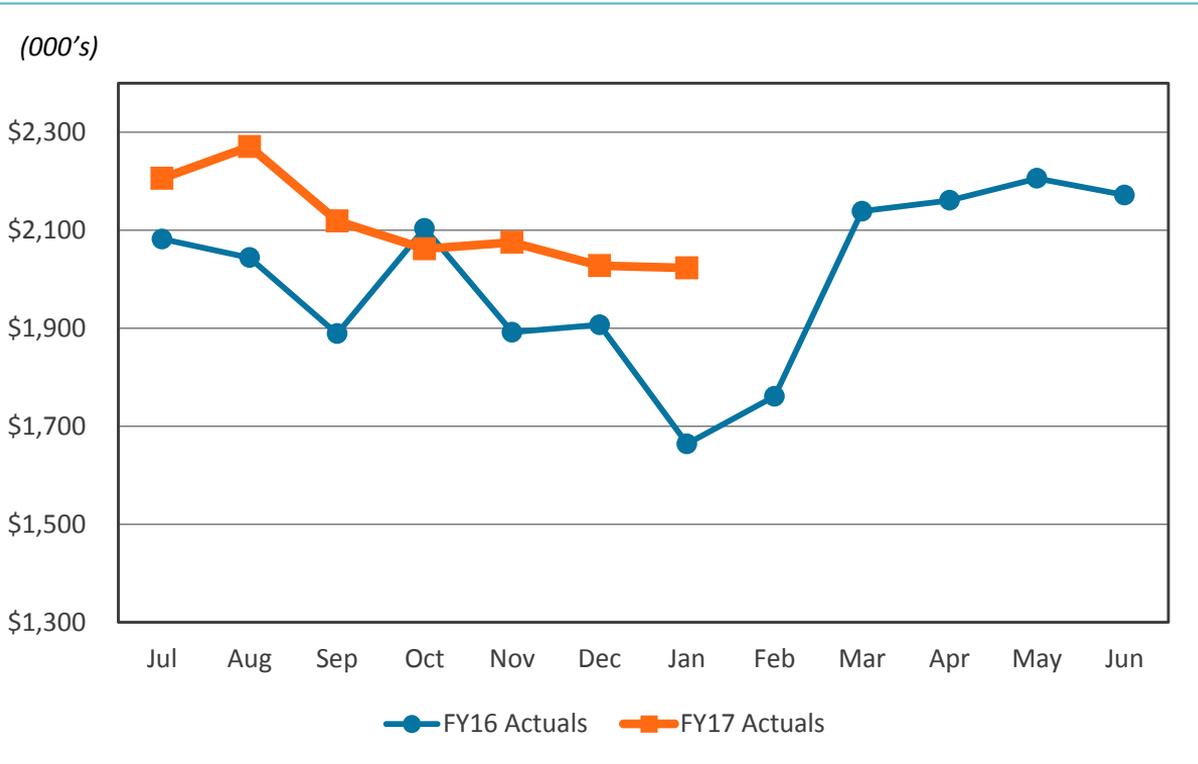


FY17 YTD Act Vs.  
FY16 YTD Act  
13.3%

FY17 YTD Act Vs.  
FY17 YTD Budget  
11.2%

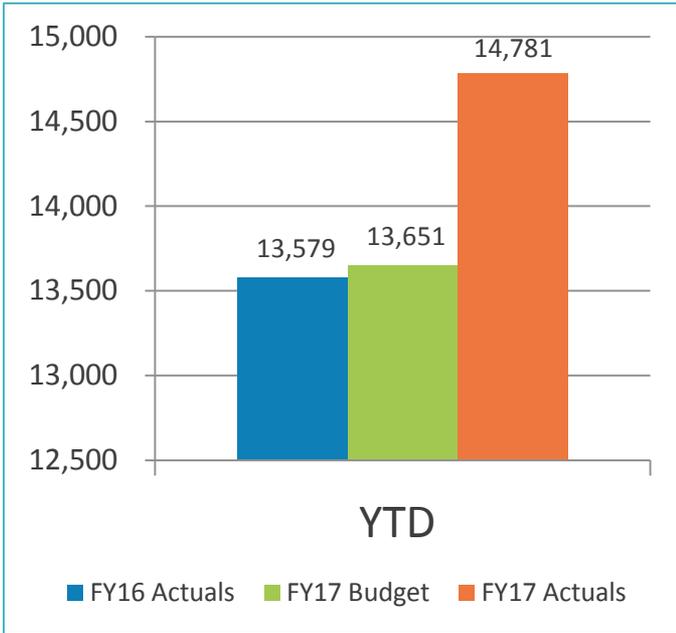


# Total Terminal Concessions (Includes Cost Recovery)

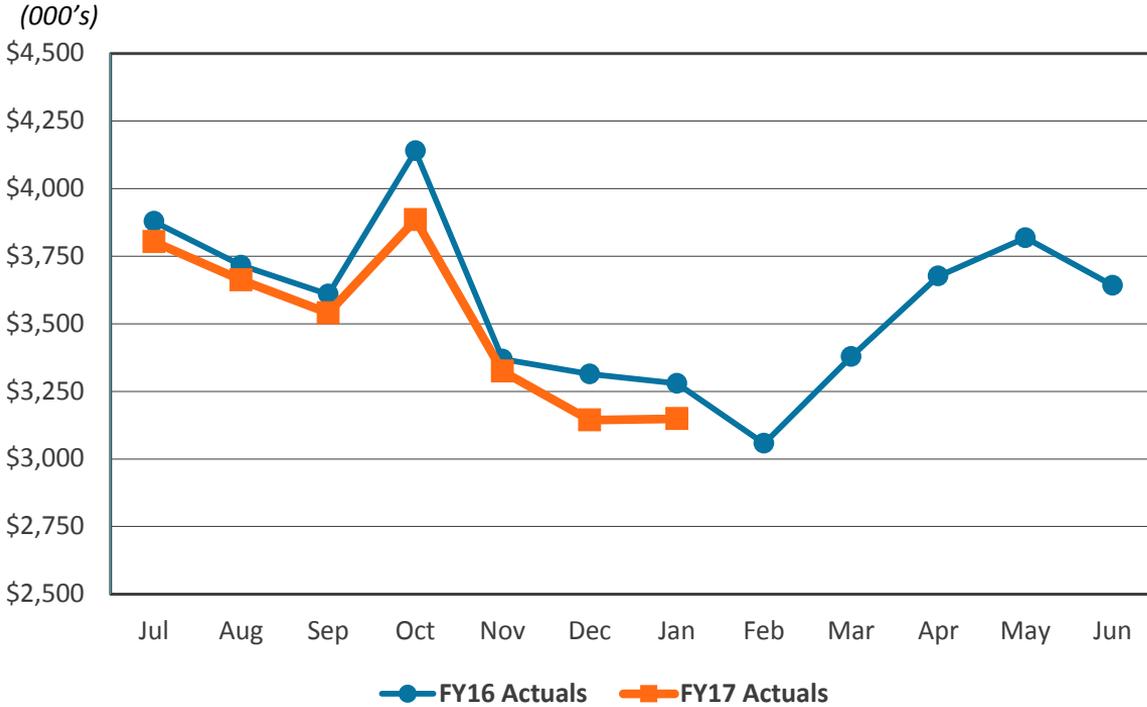


FY17 YTD Act Vs.  
FY16 YTD Act  
8.8%

FY17 YTD Act Vs.  
FY17 YTD Budget  
8.2%

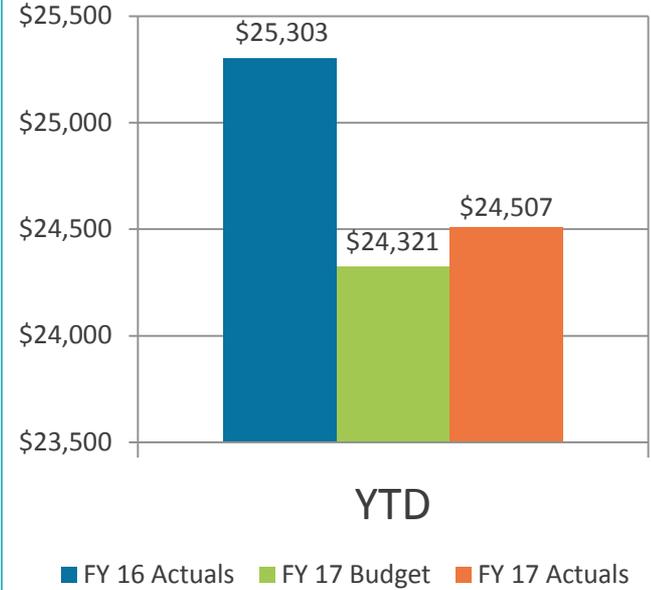


# Parking Revenue



FY17 YTD Act Vs.  
FY16 YTD Act  
-3.2%

FY17 YTD Act Vs.  
FY17 YTD Budget  
0.7%



# Operating Revenues

## for the Month Ended January 31, 2017 (Unaudited)

(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	%	Prior Year
<b>Aviation revenue:</b>					
Landing fees	\$ 2,125	\$ 2,200	\$ 75	4%	\$ 2,080
Aircraft parking fees	242	242	-	-	226
Building rentals	4,577	4,597	20	-	4,483
Security surcharge	2,488	2,487	(1)	-	2,306
CUPPS Support Charges	104	104	(0)	-	101
Other aviation revenue	134	135	1	1%	135
<b>Total aviation revenue</b>	<b>\$ 9,670</b>	<b>\$ 9,765</b>	<b>\$ 95</b>	<b>1%</b>	<b>\$ 9,331</b>

# Operating Revenues for the Month Ended January 31, 2017 (Unaudited)

(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	% Change	Prior Year
Terminal rent non-airline	\$ 103	\$ 130	\$ 27	26%	\$ 111
Concession revenue:					
Terminal concession revenue:					
Food and beverage	742	861	119	16%	706
Retail	458	526	68	15%	426
Space storage	72	73	1	1%	71
Cost recovery	263	207	(56)	(21)%	204
Other (Primarily advertising)	295	356	61	21%	257
<b>Total terminal concession revenue</b>	<b>1,830</b>	<b>2,023</b>	<b>193</b>	<b>11%</b>	<b>1,664</b>
Car rental and license fee revenue:					
Rental car and license fees	2,050	2,110	60	3%	2,046
Rental car center cost recovery	183	187	4	2%	52
License fees-other	376	429	52	14%	339
<b>Total rental car and license fees</b>	<b>2,609</b>	<b>2,726</b>	<b>117</b>	<b>4%</b>	<b>2,437</b>
<b>Total concession revenue</b>	<b>\$ 4,439</b>	<b>\$ 4,749</b>	<b>\$ 310</b>	<b>7%</b>	<b>\$ 4,101</b>

# Operating Revenues for the Month Ended January 31, 2017 (Unaudited)

(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	% Change	Prior Year
<b>Parking revenue:</b>					
Short-term parking revenue	\$ 1,801	\$ 1,769	\$ (32)	(2)%	\$ 1,970
Long-term parking revenue	1,280	1,380	100	8%	1,308
<b>Total parking revenue</b>	<b>3,081</b>	<b>3,149</b>	<b>68</b>	<b>2%</b>	<b>3,278</b>
Ground transportation permits and citations	432	670	238	55%	401
Ground rentals	1,549	1,548	(1)	-	1,121
Grant reimbursements	19	25	6	32%	25
Other operating revenue	63	75	12	19%	66
<b>Subtotal</b>	<b>5,144</b>	<b>5,467</b>	<b>323</b>	<b>6%</b>	<b>4,891</b>
<b>Total operating revenues</b>	<b>\$ 19,356</b>	<b>\$ 20,111</b>	<b>\$ 755</b>	<b>4%</b>	<b>\$ 18,434</b>

# Operating Expenses for the Month Ended January 31, 2017 (Unaudited)

(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	% Change	Prior Year
<b>Operating expenses:</b>					
Salaries and benefits	\$ 3,601	\$ 3,626	\$ (25)	(1)%	\$ 3,439
Contractual services	3,772	3,554	218	6%	3,355
Safety and security	2,273	2,222	51	2%	2,192
Space rental	849	850	(1)	-	869
Utilities	997	991	6	1%	958
Maintenance	1,116	1,295	(179)	(16)%	529
Equipment and systems	22	77	(55)	(250)%	37
Materials and supplies	31	63	(32)	(103)%	39
Insurance	77	84	(7)	(9)%	79
Employee development and support	121	94	27	22%	78
Business development	224	118	106	47%	151
Equipment rental and repairs	369	208	161	44%	193
<b>Total operating expenses</b>	<b>\$ 13,452</b>	<b>\$ 13,182</b>	<b>\$ 270</b>	<b>2%</b>	<b>\$ 11,919</b>

# Financial Summary

## for the Month Ended January 31, 2017 (Unaudited)

(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	% Change	Prior Year
Total operating revenues	\$ 19,356	\$ 20,111	\$ 755	4%	\$ 18,434
Total operating expenses	13,452	13,182	270	2%	11,919
<b>Income from operations</b>	<b>5,904</b>	<b>6,929</b>	<b>1,025</b>	<b>17%</b>	<b>6,515</b>
Depreciation	7,898	7,898	-	-	6,843
<b>Operating income (loss)</b>	<b>\$ (1,994)</b>	<b>\$ (969)</b>	<b>\$ 1,025</b>	<b>51%</b>	<b>\$ (328)</b>

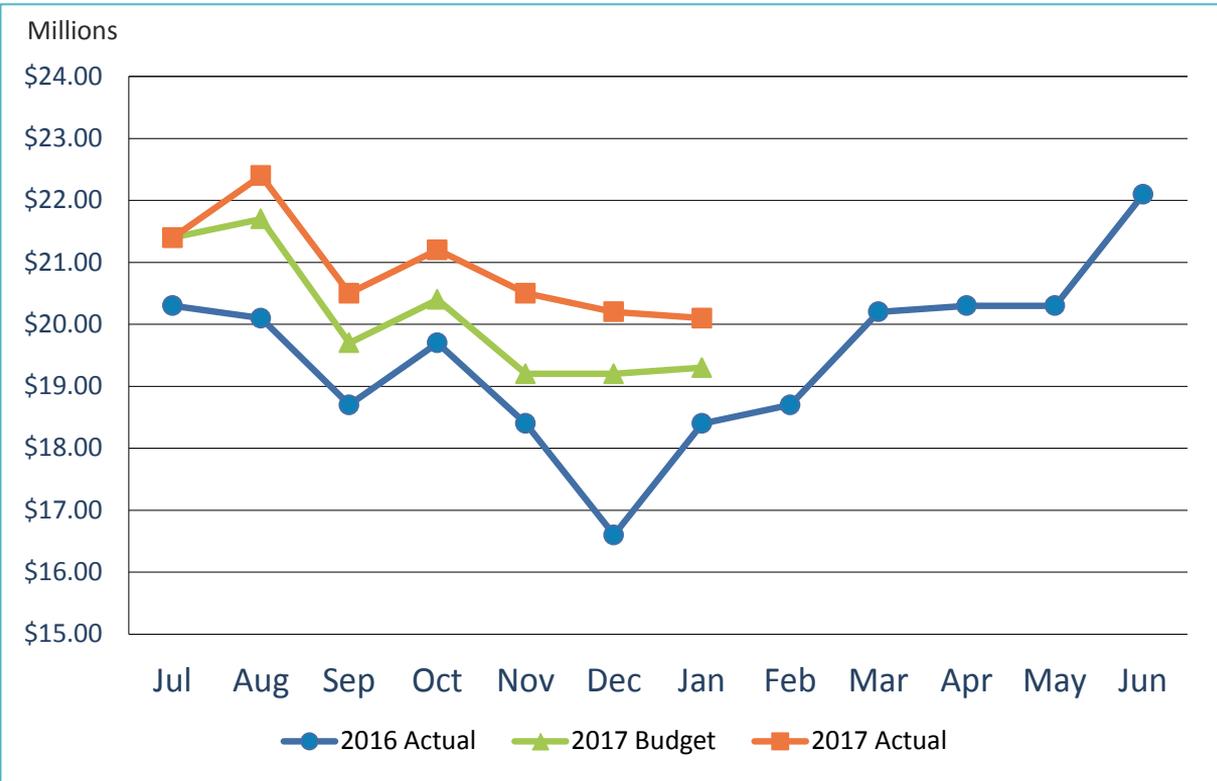
# Nonoperating Revenues & Expenses for the Month Ended January 31, 2017 (Unaudited)

(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	%	Prior Year
<b>Nonoperating revenues (expenses):</b>					
Passenger facility charges	\$ 2,121	\$ 2,110	\$ (11)	(1)%	\$ 2,057
Customer facility charges (Rental Car Center)	3,074	3,058	(16)	(1)%	2,471
Quieter Home Program, net	(282)	(103)	179	63%	(578)
Interest income	547	705	158	29%	266
BAB interest rebate	386	386	(0)	-	386
Interest expense & debt issuance costs	(5,614)	(5,142)	472	8%	(5,108)
Bond amortization	346	346	-	-	353
Other nonoperating revenue (expenses)	(1)	75	76	-	1,756
<b>Nonoperating revenue, net</b>	<b>577</b>	<b>1,435</b>	<b>858</b>	<b>149%</b>	<b>1,603</b>
<b>Change in net position before grant contributions</b>	<b>(1,417)</b>	<b>466</b>	<b>1,883</b>		<b>1,275</b>
Capital grant contributions	150	1,029	879	587%	(577)
<b>Change in net position</b>	<b>\$ (1,267)</b>	<b>\$ 1,495</b>	<b>\$ 2,762</b>	<b>218%</b>	<b>\$ 698</b>



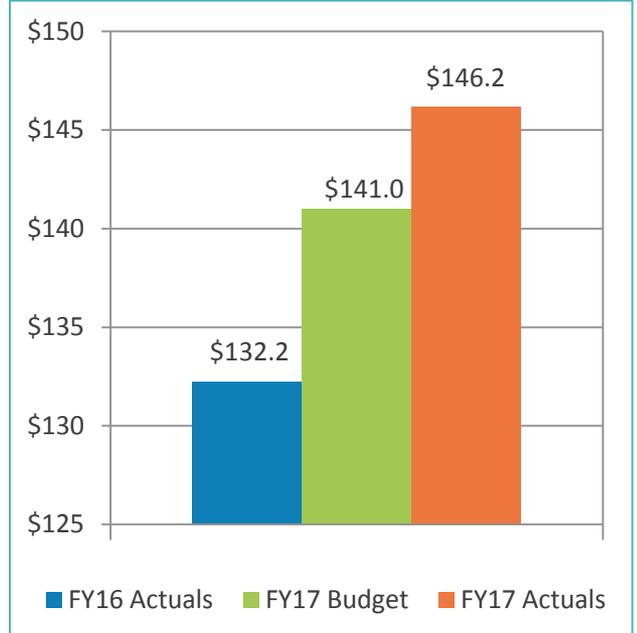
**Revenue & Expense  
(Unaudited)  
For the Seven Months Ended  
January 31, 2017 and 2016**

# Operating Revenue (Unaudited)



FY17 YTD Act Vs.  
FY16 YTD Act  
10.6%

FY17 YTD Act Vs.  
FY17 YTD Budget  
3.6%



# Operating Revenues for the Seven Months Ended January 31, 2017 (Unaudited)

(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	%	Prior Year
				Change	
<b>Aviation revenue:</b>					
Landing fees	\$ 15,496	\$ 15,946	\$ 450	3%	\$ 14,527
Aircraft parking fees	1,696	1,696	-	-	1,587
Building rentals	32,037	32,038	1	-	30,882
Security surcharge	17,417	17,393	(24)	-	15,350
CUPPS Support Charges	726	725	(1)	-	704
Other aviation revenue	944	947	3	-	939
<b>Total aviation revenue</b>	<b>\$ 68,316</b>	<b>\$ 68,745</b>	<b>\$ 429</b>	<b>1%</b>	<b>\$ 63,989</b>

# Operating Revenues for the Seven Months Ended January 31, 2017 (Unaudited)

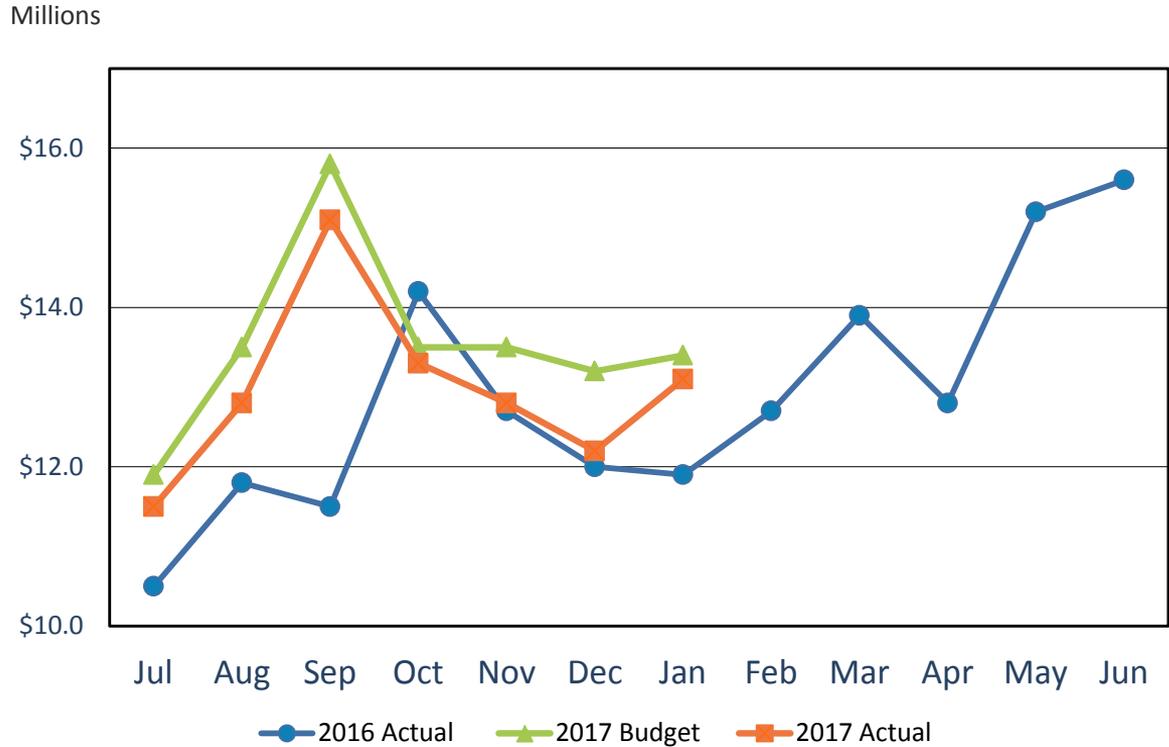
(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	%	Prior Year
	\$	\$	\$	Change	\$
Terminal rent non-airline	726	895	169	23%	477
Concession revenue:					
Terminal concession revenue:					
Food and beverage	5,712	6,279	567	10%	5,674
Retail	3,710	4,127	417	11%	3,642
Space storage	504	508	4	1%	499
Cost recovery	1,614	1,472	(142)	(9)%	1,471
Other (Primarily advertising)	2,111	2,395	284	13%	2,293
<b>Total terminal concession revenue</b>	<b>13,651</b>	<b>14,781</b>	<b>1,130</b>	<b>8%</b>	<b>13,579</b>
Car rental and license fee revenue:					
Rental car license fees	15,046	16,804	1,758	12%	15,064
Rental car center cost recovery	1,280	1,278	(2)	-	52
License fees-other	2,477	2,801	324	13%	2,549
<b>Total rental car and license fees</b>	<b>18,803</b>	<b>20,883</b>	<b>2,080</b>	<b>11%</b>	<b>17,665</b>
<b>Total concession revenue</b>	<b>\$ 32,454</b>	<b>\$ 35,664</b>	<b>\$ 3,210</b>	<b>10%</b>	<b>\$ 31,244</b>

# Operating Revenues

## for the Seven Months Ended January 31, 2017 (Unaudited)

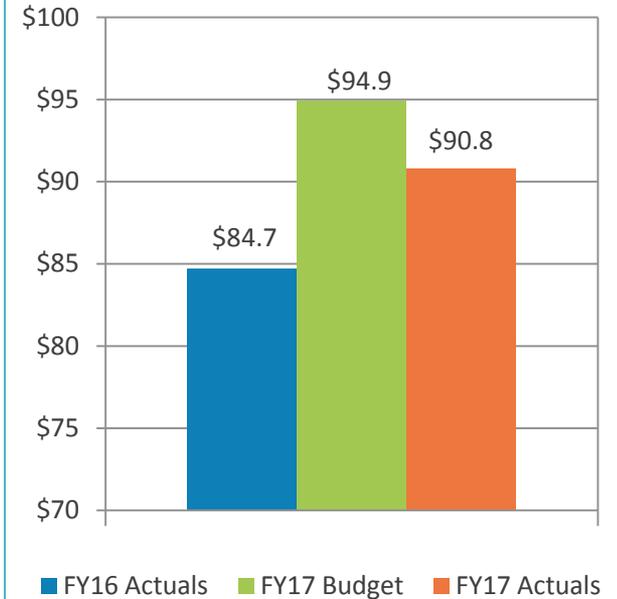
(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	%	Prior Year
				Change	
<b>Parking revenue:</b>					
Short-term parking revenue	\$ 14,498	\$ 13,847	\$ (651)	(4)%	\$ 15,732
Long-term parking revenue	9,823	10,660	837	9%	9,571
<b>Total parking revenue</b>	<b>24,321</b>	<b>24,507</b>	<b>186</b>	<b>1%</b>	<b>25,303</b>
Ground transportation permits and citations	3,778	4,659	881	23%	3,146
Ground rentals	10,840	10,794	(46)	-	7,426
Grant reimbursements	130	172	42	32%	172
Other operating revenue	439	840	401	91%	442
<b>Subtotal</b>	<b>39,508</b>	<b>40,972</b>	<b>1,464</b>	<b>4%</b>	<b>36,489</b>
<b>Total operating revenues</b>	<b>\$ 141,004</b>	<b>\$ 146,276</b>	<b>\$ 5,272</b>	<b>4%</b>	<b>\$ 132,199</b>

# Operating Expenses (Unaudited)



FY17 YTD Act Vs.  
FY16 YTD Act  
-7.2%

FY17 YTD Act Vs.  
FY17 YTD Budget  
4.5%



# Operating Expenses for the Seven Months Ended January 31, 2017 (Unaudited)

(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	%	Prior Year
<b>Operating expenses:</b>					
Salaries and benefits	\$ 25,607	\$ 24,544	\$ 1,063	4%	\$ 24,159
Contractual services	25,703	25,380	323	1%	20,581
Safety and security	16,297	15,570	727	4%	14,458
Space rental	5,945	5,945	0	-	6,023
Utilities	7,935	6,591	1,344	17%	7,017
Maintenance	8,044	8,134	(90)	(1)%	8,054
Equipment and systems	193	189	4	2%	307
Materials and supplies	251	315	(64)	(25)%	292
Insurance	545	563	(18)	(3)%	553
Employee development and support	808	630	178	22%	656
Business development	1,399	1,169	230	16%	1,074
Equipment rental and repairs	2,194	1,816	378	17%	1,521
<b>Total operating expenses</b>	<b>\$ 94,921</b>	<b>\$ 90,846</b>	<b>\$ 4,075</b>	<b>4%</b>	<b>\$ 84,695</b>

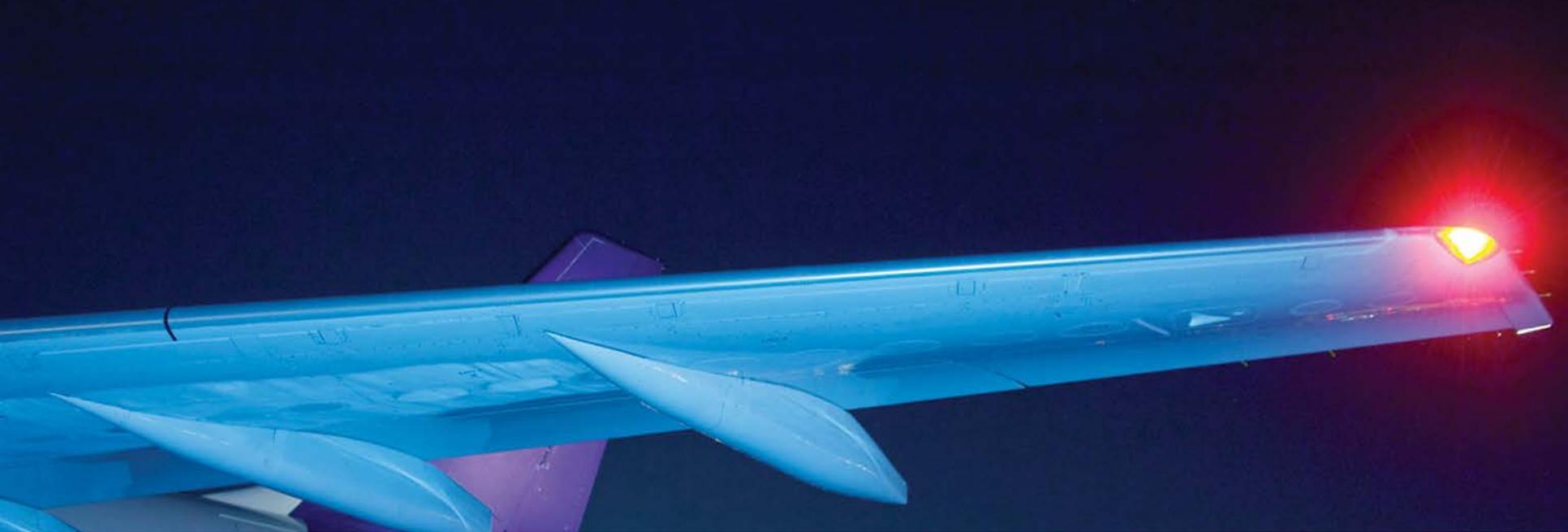
# Financial Summary

## for the Seven Months Ended January 31, 2017 (Unaudited)

(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	% Change	Prior Year
Total operating revenues	\$ 141,004	\$ 146,276	\$ 5,272	4%	\$ 132,199
Total operating expenses	94,921	90,846	4,075	4%	84,695
<b>Income from operations</b>	<b>46,083</b>	<b>55,430</b>	<b>9,347</b>	<b>20%</b>	<b>47,504</b>
Depreciation	53,544	53,544	-	-	47,010
<b>Operating income (loss)</b>	<b>\$ (7,461)</b>	<b>\$ 1,886</b>	<b>\$ 9,347</b>	<b>125%</b>	<b>\$ 494</b>

# Nonoperating Revenues & Expenses for the Seven Months Ended January 31, 2017 (Unaudited)

(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	%	Prior Year
				Change	
<b>Nonoperating revenues (expenses):</b>					
Passenger facility charges	\$ 21,316	\$ 21,350	\$ 34	-	\$ 20,863
Customer facility charges (Rental Car Center)	20,023	19,816	(207)	(1)%	19,195
Quieter Home Program, net	(1,564)	(463)	1,101	70%	(1,979)
Interest income	3,869	4,443	574	15%	3,372
BAB interest rebate	2,702	2,711	-	-	2,714
Interest expense & debt issuance costs	(38,950)	(35,804)	3,146	8%	(34,425)
Bond amortization	2,434	2,434	-	-	2,486
Other nonoperating revenue (expenses)	(6)	(2,129)	(2,123)	-	183
<b>Nonoperating revenue, net</b>	<b>9,824</b>	<b>12,358</b>	<b>2,534</b>	<b>26%</b>	<b>12,409</b>
<b>Change in Net Position before grant contributions</b>	<b>2,363</b>	<b>14,244</b>	<b>11,881</b>	<b>503%</b>	<b>12,903</b>
Capital grant contributions	602	1,246	644	107%	10,200
<b>Change in Net Position</b>	<b>\$ 2,965</b>	<b>\$ 15,490</b>	<b>\$ 12,525</b>	<b>422%</b>	<b>\$ 23,103</b>



# Statements of Net Position (Unaudited) January 31, 2017 and 2016

# Statements of Net Position (Unaudited)

## As of January 31, 2017 and 2016

(In Thousands)

	<u>2017</u>	<u>2016</u>
<b>Current assets:</b>		
Cash and investments	\$ 82,737	\$ 63,033
Tenant lease receivable, net of allowance of 2017: (\$213,232) and 2016: (\$182,983)	7,888	8,565
Grants receivable	3,953	7,473
Notes receivable-current portion	1,705	1,609
Prepaid expenses and other current assets	7,131	7,404
<b>Total current assets</b>	<u>103,414</u>	<u>88,084</u>
 <b>Cash designated for capital projects and other</b>	 <u>\$ 22,205</u>	 <u>\$ 39,770</u>

# Statements of Net Position (Unaudited)

## As of January 31, 2017 and 2016

(In Thousands)

	<u>2017</u>	<u>2016</u>
<b>Restricted assets:</b>		
Cash and investments:		
Bonds reserve	\$ 57,872	\$ 61,166
Passenger facility charges and interest unapplied	68,553	63,317
Customer facility charges and interest applied	33,774	42,240
SBD bond guarantee	4,000	4,000
Bond proceeds held by trustee	144,238	201,259
Variable rate debt interest held by Trustee	89	-
Passenger facility charges receivable	2,249	3,365
Customer facility charges receivable	3,435	3,081
OCIP insurance reserve	2,698	4,274
<b>Total restricted assets</b>	<b><u>\$ 316,908</u></b>	<b><u>\$ 382,702</u></b>

# Statements of Net Position (Unaudited)

## As of January 31, 2017 and 2016

(In Thousands)

### Noncurrent assets:

#### Capital assets:

Land and land improvements  
 Runways, roads and parking lots  
 Buildings and structures  
 Machinery and equipment  
 Vehicles  
 Office furniture and equipment  
 Works of art  
 Construction-in-progress

Less: accumulated depreciation

#### Total capital assets, net

	<u>2017</u>	<u>2016</u>
	\$ 109,974	\$ 83,598
	590,789	590,461
	1,409,497	1,117,193
	48,891	40,021
	15,033	14,542
	32,357	32,395
	9,579	8,103
	187,561	434,654
	<u>2,403,681</u>	<u>2,320,967</u>
	(866,004)	(779,530)
	<u>\$ 1,537,677</u>	<u>\$ 1,541,437</u>

# Statements of Net Position (Unaudited)

## As of January 31, 2017 and 2016

(In Thousands)

### Other assets:

Notes receivable - long-term portion

Investments - long-term portion

Security deposit

### Total other assets

	<u>2017</u>	<u>2016</u>
\$	34,072	\$ 35,830
	177,533	96,498
	350	350
	<u>211,955</u>	<u>132,678</u>

### Deferred outflows of resources:

Deferred pension contributions:

### Total assets and deferred outflows of resources

	5,956	5,853
	<u>\$ 2,198,116</u>	<u>\$ 2,190,524</u>

# Statements of Net Position (Unaudited)

## As of January 31, 2017 and 2016

(In Thousands)

	<u>2017</u>	<u>2016</u>
<b>Current liabilities:</b>		
Accounts payable and accrued liabilities	\$ 29,272	\$ 54,102
Deposits and other current liabilities	8,251	7,643
<b>Total current liabilities</b>	<b><u>37,523</u></b>	<b><u>61,745</u></b>
<b>Current liabilities payable from restricted assets:</b>		
Current portion of long-term debt	11,585	11,090
Accrued interest on bonds and variable debt	13,621	5,492
<b>Total liabilities payable from restricted assets</b>	<b><u>\$ 25,206</u></b>	<b><u>\$ 16,582</u></b>

# Statements of Net Position (Unaudited)

## As of January 31, 2017 and 2016

(In Thousands)

	<u>2017</u>	<u>2016</u>
<b>Long-term liabilities:</b>		
Variable debt	\$ 52,331	\$ 38,705
Other long-term liabilities	10,350	5,962
Long-term debt - bonds net of amortized premium	1,277,737	1,293,514
<b>Total long-term liabilities</b>	<u><b>1,340,419</b></u>	<u><b>1,338,181</b></u>
<b>Total liabilities</b>	<u>1,403,148</u>	<u>1,416,508</u>
<b>Deferred inflows of resources</b>		
Deferred pension investment gains	1,807	8,168
<b>Total liabilities and deferred inflows of resources</b>	<u><u><b>\$ 1,404,955</b></u></u>	<u><u><b>\$ 1,424,676</b></u></u>

# Statements of Net Position (Unaudited)

## As of January 31, 2017 and 2016

(In Thousands)

	<u>2017</u>	<u>2016</u>
<b>Net Position:</b>		
Invested in capital assets, net of related debt	\$ 332,662	\$ 391,523
Other restricted	172,388	180,795
Unrestricted:		
Designated	22,205	39,770
Undesignated	<u>265,905</u>	<u>153,760</u>
<b>Total net position</b>	<b><u>\$ 793,161</u></b>	<b><u>\$ 765,848</u></b>



Questions?



# San Diego County Regional Airport Authority

## Review of the Authority's Investment Report As of January 31, 2017

Presented by: Geoff Bryant  
Manager, Airport Finance

**February 21, 2017**

This report is prepared for the San Diego County Regional Airport Authority (the "Authority") in accordance with California Government Code Section 53646, which states that "the treasurer or chief fiscal officer may render a quarterly report to the chief executive officer, the internal auditor, and the legislative body of the local agency within 30 days following the end of the quarter covered by the report."

The investment report was compiled in compliance with California Government Code Section 53646 and the Authority's approved Investment Policy. All investment transactions made in the Authority's portfolio during this period were made on behalf of the Authority. Sufficient liquidity and anticipated revenue are available to meet expenditure requirements for the next six months.



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Scott Brickner, C.P.A.  
V.P. Finance & Asset Management / Treasurer  
San Diego County Regional Airport Authority

# Total Portfolio Summary

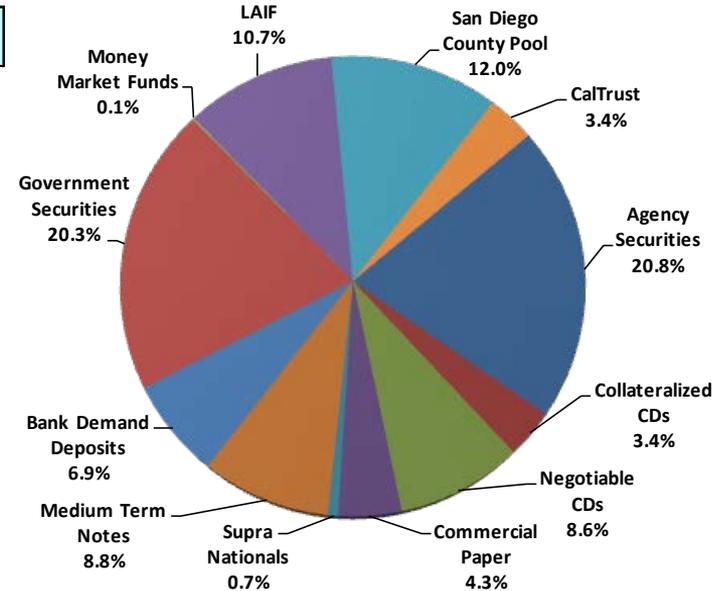
	Current Period	Prior Period	Change From
	January 31, 2017	December 31, 2016	Prior
Book Value (1)	\$450,897,000	\$448,627,000	\$2,270,000
Market Value (1)	\$449,489,000	\$447,163,000	\$2,326,000
Market Value%	99.69%	99.67%	0.02%
Unrealized Gain / (Loss)	(\$1,408,000)	(\$1,464,000)	\$56,000
Weighted Average Maturity (Days)	419 days	423 days	(4)
Weighted Average Yield as of Period End	1.08%	1.04%	0.04%
Cash Interest Received- Current Month	\$551,000	\$27,000	\$524,000
Cash Interest Received- Year-to-Date	\$2,120,000	\$1,569,000	\$551,000
Accrued Interest	\$891,000	\$283,000	\$608,000

## Notes:

(1) Increase in portfolio value is primarily due to operating receipts exceeding operating expenditures.

# Portfolio Composition by Security Type

	January 31, 2017		December 31, 2016		Permitted by Policy
	Market Value	Percent of Portfolio	Market Value	Percent of Portfolio	
Agency Securities	\$ 93,404,000	20.8%	\$ 93,370,000	20.9%	100%
Collateralized CDs	15,369,000	3.4%	15,360,000	3.4%	30%
Negotiable CDs	38,583,000	8.6%	38,578,000	8.6%	30%
Commercial Paper	19,447,000	4.3%	18,460,000	4.1%	25%
Supra Nationals	2,971,000	0.7%	2,958,000	0.7%	30%
Medium Term Notes	39,549,000	8.8%	39,521,000	8.8%	15%
Bank Demand Deposits	31,504,000	6.9%	37,443,000	8.5%	100%
Government Securities	91,421,000	20.3%	84,469,000	18.9%	100%
Money Market Funds	255,000	0.1%	78,000	0.0%	20%
LAIF	47,978,000	10.7%	47,929,000	10.7%	\$65 million <sup>(1)</sup>
San Diego County Pool	53,774,000	12.0%	53,763,000	12.0%	\$65 million <sup>(2)</sup>
CalTrust	15,234,000	3.4%	15,234,000	3.4%	\$65 million <sup>(3)</sup>
<b>Total:</b>	<b>\$ 449,489,000</b>	<b>100.0%</b>	<b>\$ 447,163,000</b>	<b>100.0%</b>	

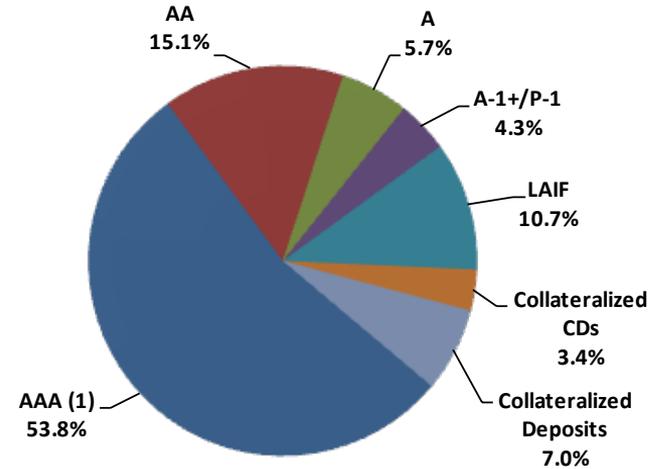


## Notes:

- 1.) The \$65 million limit on LAIF is a non-statutory LAIF internal limit. It does not apply to bond proceeds.
- 2.) The San Diego County Investment Pool mirrors the LAIF internal limit and does not apply to bond proceeds.
- 3.) The CalTrust mirrors the LAIF internal limit and does not apply to bond proceeds.

# Portfolio Composition by Credit Rating

	January 31, 2017		December 31, 2016	
	Market Value	Percent of Portfolio	Market Value	Percent of Portfolio
AAA <sup>(1)</sup>	\$ 241,823,000	53.8%	\$ 234,639,000	52.5%
AA	67,771,000	15.1%	67,752,000	15.2%
A	25,596,000	5.7%	25,581,000	5.7%
A-1+/P-1	19,447,000	4.3%	18,460,000	4.1%
LAIF	47,978,000	10.7%	47,929,000	10.7%
Collateralized CDs	15,369,000	3.4%	15,360,000	3.4%
Collateralized Deposits	31,505,000	7.0%	37,442,000	8.4%
<b>Total:</b>	<b>\$ 449,489,000</b>	<b>100.0%</b>	<b>\$ 447,163,000</b>	<b>100.0%</b>

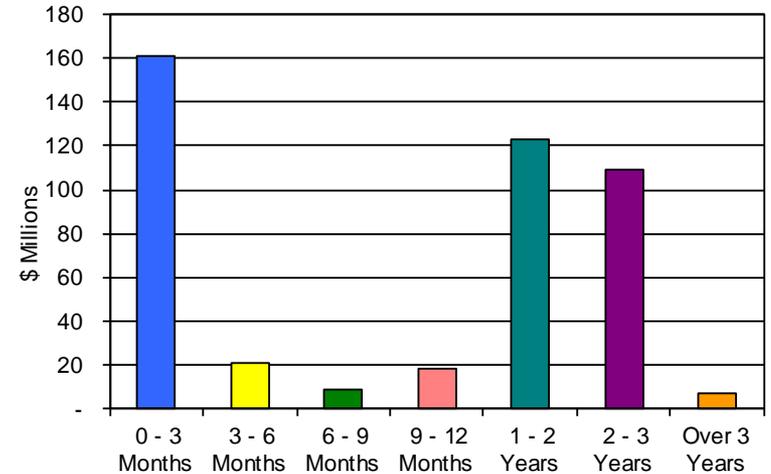


**Notes:**

1.) Includes investments that have split ratings between S&P (AA+), Moodys (AAA) and Fitch (AAA)

# Portfolio Composition by Maturity (1)

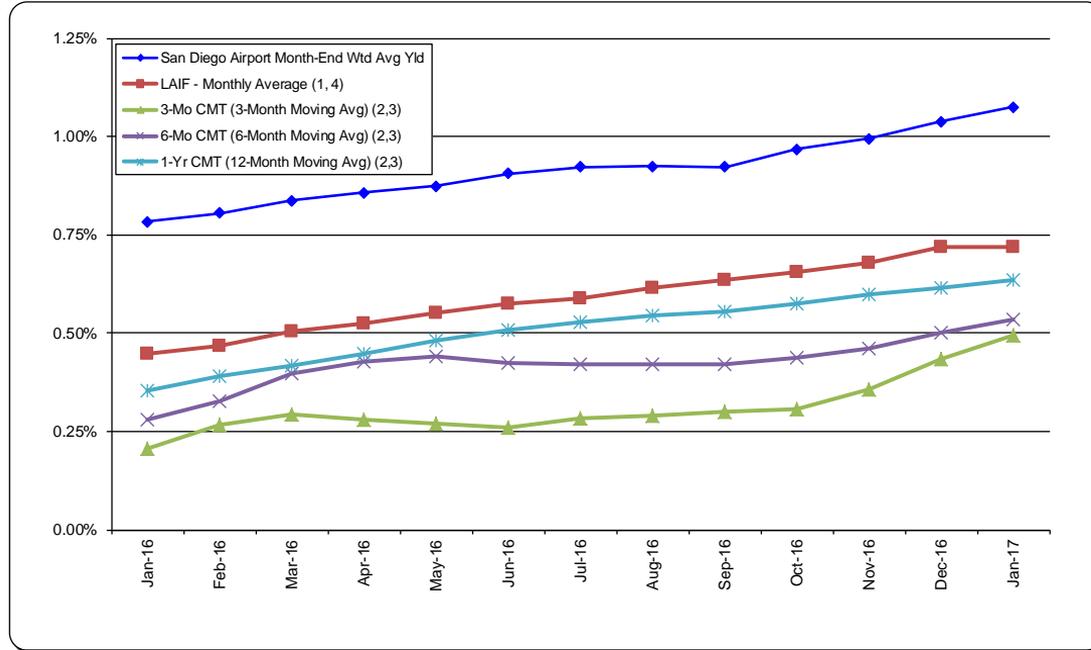
	January 31, 2017		December 31, 2016	
	Market Value	Percent of Portfolio	Market Value	Percent of Portfolio
0 - 3 Months	\$ 161,237,000	36.0%	\$ 163,442,000	36.6%
3 - 6 Months	21,292,000	4.7%	13,464,000	3.0%
6 - 9 Months	9,041,000	2.0%	14,336,000	3.2%
9 - 12 Months	18,513,000	4.1%	18,536,000	4.1%
1 - 2 Years	123,205,000	27.4%	99,315,000	22.2%
2 - 3 Years	109,249,000	24.3%	138,070,000	30.9%
Over 3 Years	6,952,000	1.5%	-	0.0%
<b>Total:</b>	<b>\$ 449,489,000</b>	<b>100.0%</b>	<b>\$ 447,163,000</b>	<b>100.0%</b>



**Notes:**

1.) The 0-3 Quarter category includes investments held in the LAIF, CalTrust, and the San Diego County Investment Pool.

# Benchmark Comparison



**Notes:**

- 1.) Benchmark data for LAIF is the average monthly effective yield.
- 2.) CMT stands for Constant Maturity Treasury. This data is published in Federal Reserve Statistical Release H.15 and represents an average of all actively traded Treasury securities having that time remaining until maturity. This is a standard industry benchmark for Treasury securities.
- 3.) The CMT benchmarks are moving averages. The 3-month CMT is the daily average for the previous 3 months, the 6-month CMT is the daily average for the previous 6 months, and the 1-year CMT is the daily average for the previous 12-months.
- 4.) LAIF reflects December yield due to the timing of data availability.

# Detail of Security Holdings As of January 31, 2017

Settlement Date	Security Description	Coupon	Maturity Date	Par Value	Purchase Price	Book Value	Market Price	Market Value	Days to Maturity	Yield to Maturity
10/16/15	FNMA	1.125	10/19/18	5,000,000	100.550	5,027,500	99.93	4,996,300	626	0.939
08/15/16	FHLB	0.625	08/07/18	4,000,000	99.624	3,985,680	99.23	3,969,280	553	0.808
06/24/16	FNMA	0.875	03/28/18	4,450,000	100.099	4,454,406	99.89	4,445,194	421	0.818
10/21/16	FHLB	0.875	08/05/19	12,000,000	99.568	11,948,160	98.66	11,839,200	916	1.032
10/07/16	FHLB	1.000	09/26/19	10,000,000	99.727	9,972,700	98.83	9,883,200	968	1.094
06/29/16	FNMA	1.125	06/21/19	10,400,000	100.857	10,497,978	99.43	10,340,928	871	0.833
02/03/16	FNMA	1.375	01/28/19	6,000,000	100.842	6,050,520	100.26	6,015,840	727	1.088
05/16/16	FNMA	1.000	02/26/19	5,000,000	100.116	5,005,800	99.39	4,969,500	756	0.957
04/20/16	FHLB	1.125	04/15/19	8,000,000	100.319	8,020,420	99.56	7,964,400	804	1.016
12/08/16	FHLB	1.250	01/16/19	2,950,000	99.996	2,949,882	99.94	2,948,260	715	1.252
07/08/16	FHLMC	1.250	08/01/19	5,000,000	101.285	5,064,250	99.65	4,982,500	912	0.824
09/06/16	FNMA	1.000	08/28/19	13,500,000	99.836	13,477,860	98.91	13,353,120	939	1.056
08/02/16	FNMA	0.875	08/02/19	7,800,000	99.832	7,786,896	98.67	7,695,948	913	0.932
<b>Agency Total</b>				<b>94,100,000</b>		<b>94,242,052</b>		<b>93,403,670</b>	<b>829</b>	<b>0.981</b>
07/02/16	East West Bk CD	0.700	07/07/17	10,336,315	100.000	10,336,315	100.00	10,336,315	157	0.700
10/21/16	East West Bk CD	0.500	10/24/17	5,032,850	100.000	5,032,850	100.00	5,032,850	266	0.700
<b>Collateralized CDs Total</b>				<b>15,369,165</b>		<b>15,369,165</b>		<b>15,369,165</b>	<b>193</b>	<b>0.700</b>

# Detail of Security Holdings As of January 31, 2017

Settlement Date	Security Description	Coupon	Maturity Date	Par Value	Purchase Price	Book Value	Market Price	Market Value	Days to Maturity	Yield to Maturity
09/11/14	US BK NA CINCIN C/D	1.375	09/11/17	4,000,000	100.000	3,993,560	100.21	4,008,400	223	1.430
03/09/16	US Bank CD	1.060	03/09/18	4,000,000	100.000	4,000,000	100.00	4,000,000	402	1.060
11/17/15	SKANDINAV ENSKD CD	1.480	11/16/17	4,500,000	100.000	4,500,000	100.00	4,500,000	289	1.480
12/05/16	NORDEA BK FINL YC/D	1.760	11/30/18	4,000,000	100.000	4,000,000	100.82	4,032,960	668	1.760
12/05/16	CANADIAN IMP BK YC/D	1.760	11/30/18	5,000,000	99.922	4,996,100	100.82	5,041,200	668	1.800
11/18/15	HSBC BK C/D	0.954	11/17/17	4,000,000	100.000	4,000,000	100.00	4,000,000	290	0.954
03/16/16	Toronto Dominion CD	1.720	03/14/18	5,000,000	100.000	5,000,000	100.00	5,000,000	407	1.720
04/27/15	RABOBANK CD	1.070	04/21/17	4,000,000	100.000	4,000,000	100.02	4,000,840	80	1.070
03/15/16	ROYAL BK CDA Y C/D	1.700	03/09/18	4,000,000	100.000	4,000,000	100.00	4,000,000	402	1.700
<b>Negotiable CDs Total</b>				<b>38,500,000</b>		<b>38,489,660</b>		<b>38,583,400</b>	<b>388</b>	<b>1.459</b>
10/31/16	BANK OF TOKYO MITS DC/P	1.260	04/28/17	3,500,000	99.374	3,478,073	99.76	3,491,635	87	1.260
11/21/16	CREDIT AGRICOLE DC/P	1.110	05/15/17	3,000,000	99.460	2,983,813	99.68	2,990,400	104	2.260
01/09/17	BNP PARIBAS FIN DC/P	1.290	07/07/17	5,000,000	99.360	4,967,929	99.46	4,972,900	157	1.300
11/03/16	TOYOTA MTR CRED DC/P	0.980	05/02/17	3,000,000	99.505	2,985,150	99.75	2,992,500	91	3.260
05/16/16	JP MORGAN SECS DC/P	1.020	02/10/17	5,000,000	99.235	4,961,750	99.98	4,999,150	10	1.028
<b>Commercial Paper Total</b>				<b>19,500,000</b>		<b>19,376,714</b>		<b>19,446,585</b>	<b>88</b>	<b>1.673</b>
04/21/16	INTER-AMER DEV BANK	1.000	05/13/19	3,000,000	99.714	2,991,420	99.04	2,971,140	832	1.095
<b>Supranationals</b>				<b>3,000,000</b>		<b>2,991,420</b>		<b>2,971,140</b>	<b>832</b>	<b>1.095</b>
05/12/15	APPLE INC NOTES	1.000	05/03/18	4,000,000	99.121	3,964,840	99.66	3,986,520	457	1.302
12/12/16	BK NEW YORK NTS	2.300	09/11/19	2,000,000	101.107	2,022,140	101.02	2,020,300	953	1.884
10/14/16	TOYOTA MOTOR CR CORP	2.125	07/18/19	1,000,000	101.670	1,016,700	100.59	1,005,880	898	1.505
10/14/16	TOYOTA MTR CR CORP	1.400	05/20/19	1,500,000	99.906	1,498,590	99.06	1,485,960	839	1.437
10/14/16	AMERICAN HONDA BDS	1.200	07/12/19	2,495,000	99.241	2,476,063	98.33	2,453,334	892	1.483
07/17/15	GECC MTN	1.625	04/02/18	4,950,000	105.364	4,968,018	100.27	4,963,266	426	1.487
12/28/15	JPM CHASE & CO NT	1.800	01/25/18	5,000,000	99.888	4,994,400	100.23	5,011,350	359	1.855
11/19/14	CHEVRON CORP	1.345	11/15/17	5,000,000	100.199	5,009,950	100.04	5,001,950	288	1.345
02/29/16	CISCO SYSTEMS	1.600	02/28/19	3,000,000	100.330	3,009,900	100.04	3,001,200	758	1.487
02/24/16	IBM CORP NOTES	1.800	05/17/19	3,000,000	100.119	3,003,570	100.31	3,009,180	836	1.761
06/06/16	WELLS FARGO CO MTN	2.150	01/15/19	4,600,000	101.427	4,665,642	100.58	4,626,542	714	1.589
09/14/15	AMERICAN EXPRESS MTN	1.800	07/31/18	2,980,000	99.759	2,972,818	100.11	2,983,189	546	1.886
<b>Medium Term Notes</b>				<b>39,525,000</b>		<b>39,602,631</b>		<b>39,548,670</b>	<b>586</b>	<b>1.578</b>

# Detail of Security Holdings As of January 31, 2017

Settlement Date	Security Description	Coupon	Maturity Date	Par Value	Purchase Price	Book Value	Market Price	Market Value	Days to Maturity	Yield to Maturity
12/23/15	U.S. Treasury	1.500	12/31/18	15,200,000	100.516	15,295,391	100.56	15,285,576	699	1.325
01/09/17	U.S. Treasury	1.250	01/31/20	7,000,000	99.170	6,940,820	99.31	6,951,910	1095	1.530
04/01/15	U.S. Treasury	0.750	03/31/18	6,050,000	99.477	6,018,332	99.75	6,034,875	424	0.927
11/13/15	U.S. Treasury	1.250	11/30/18	11,000,000	100.234	11,002,578	100.14	11,015,510	668	1.242
02/03/16	U.S. Treasury	1.375	02/28/19	2,950,000	100.988	2,979,154	100.27	2,958,054	758	1.047
06/10/15	U.S. Treasury	1.000	05/31/18	15,000,000	99.762	14,964,258	100.00	15,000,600	485	1.082
04/20/16	U.S. Treasury	1.000	09/15/18	4,900,000	100.367	4,917,992	99.84	4,892,356	592	0.845
03/04/16	U.S. Treasury	1.625	03/31/19	5,850,000	101.793	5,954,889	100.73	5,892,939	789	1.031
12/05/16	U.S. Treasury	1.500	11/30/19	13,400,000	100.125	13,416,750	100.16	13,421,976	1033	1.457
05/06/16	U.S. Treasury	1.250	10/31/18	9,950,000	101.066	10,034,779	100.17	9,967,114	638	0.816
<b>Government Total</b>				<b>91,300,000</b>		<b>91,524,943</b>		<b>91,420,910</b>	<b>717</b>	<b>1.174</b>
	East West Bank			104,276	100.000	104,276	100.00	104,276	1	0.350
	East West Bank			17,537,141	100.000	17,537,141	100.00	17,537,141	1	0.350
	US Bank General Acct			8,785,390	100.000	8,785,390	100.00	8,785,390	1	0.000
	Torrey Pines Bank			5,078,556	100.000	5,078,556	100.00	5,078,556	1	0.400
	<b>Bank Demand Deposits</b>			<b>31,505,364</b>		<b>31,505,364</b>		<b>31,505,364</b>	<b>1</b>	<b>0.260</b>
	DREYFUS GOVT INVEST			254,716	100.000	254,716	100.00	254,716	1	0.000
	<b>Money Market Fund</b>			<b>254,716</b>		<b>254,716</b>		<b>254,716</b>	<b>1</b>	<b>0.000</b>
	Local Agency Invstmnt Fd			48,027,904	100.000	48,027,904	99.90	47,977,864	1	0.719
	San Diego County Inv Pool			54,278,617	100.000	54,278,617	99.07	53,773,662	1	1.150
	CalTrust			15,234,026	100.000	15,234,026	100.00	15,234,026	1	0.940
<b>Grand Total</b>				<b>\$ 450,594,792</b>	<b>100.13</b>	<b>\$ 450,897,213</b>	<b>99.69</b>	<b>\$ 449,489,171</b>	<b>419</b>	<b>1.075</b>

# Portfolio Investment Transactions

## From January 1<sup>st</sup>, 2017 - January 31<sup>st</sup>, 2017

Settle Date	Security Description	Security Type	CUSIP	Coupon	Mature Date	Call Date	Unit Price	Amount
<b>PURCHASES</b>								
01/05/17	US TREAS NTS	US TREAS NTS	912828H52	1.250	01/30/20	--	99.140	\$ 3,987,249
01/09/17	US TREAS NTS	US TREAS NTS	912828H52	1.250	01/30/20	--	99.170	2,991,547
01/09/17	BNP PARIBAS DC/P	CP	09659BU73	1.290	07/07/17	--	99.360	4,967,929
								\$ 11,946,725
<b>CALLS</b>								
								\$ -
<b>MATURITIES</b>								
01/03/17	BNP PARIBAS DC/P	CP	09659BN30	1.030	01/03/17	--	100.000	\$ 4,000,000
								\$ 4,000,000
<b>DEPOSITS</b>								
								\$ -
<b>WITHDRAWALS / SALES / TRANSFERS</b>								
								\$ -

# Bond Proceeds Summary

## SUMMARY OF 2010, 2013 & 2014 BOND PROCEEDS\*

As of: January 31, 2017

(in thousands)

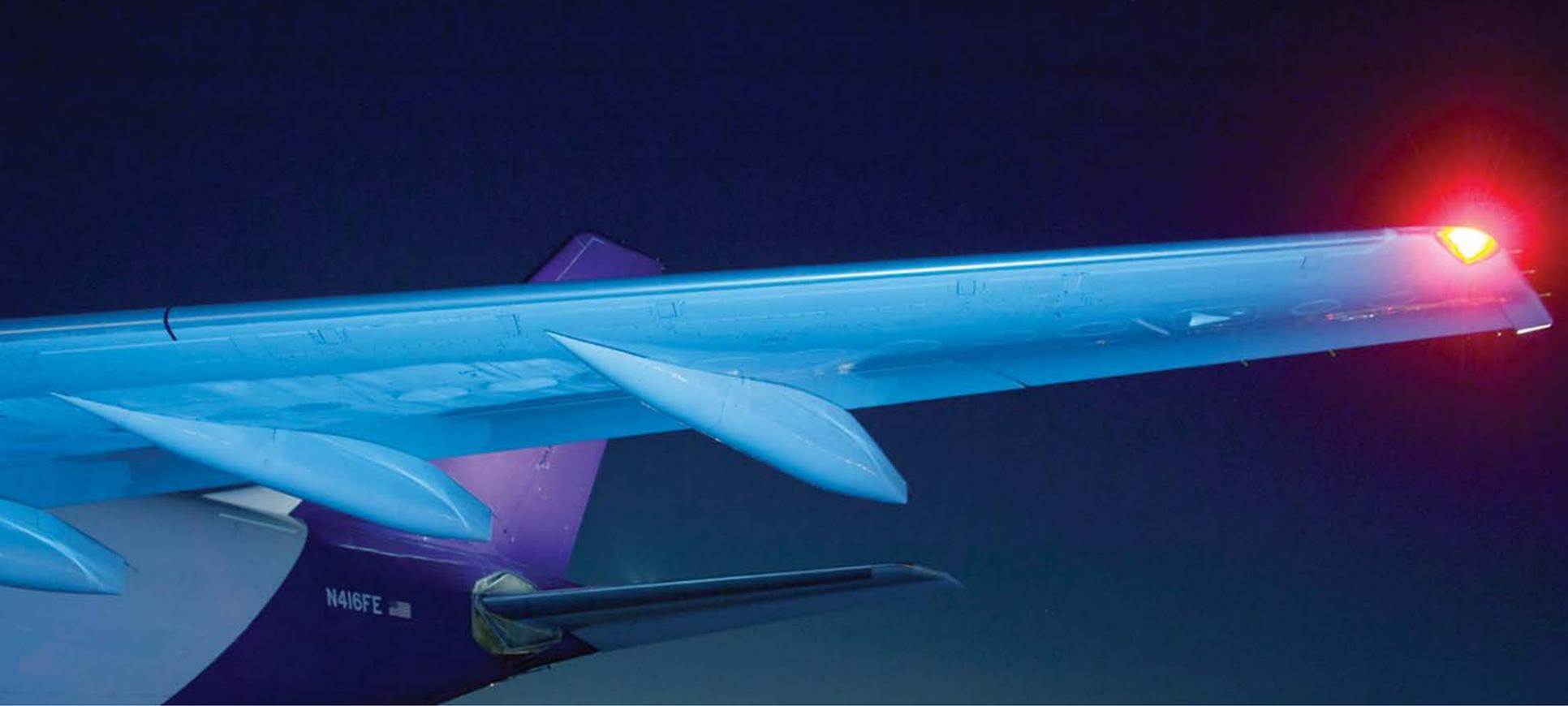
	Series 2010	Series 2013	Series 2014	Total	Yield	Rating
<b><u>Project Fund</u></b>						
SDCIP	\$ -	\$ 8,338	\$ 1,011	\$ 9,349	1.15% <sup>1)</sup>	AAAf
	\$ -	\$ 8,338	\$ 1,011	\$ 9,349		
<b><u>Debt Service Reserve &amp; Coverage Funds</u></b>						
SDCIP	\$ 29,864	\$ 33,225	\$ 28,400	\$ 91,489	1.15% <sup>1)</sup>	AAAf
East West Bank CD	21,022	-	-	21,022	0.80%	N/R
	\$ 50,886	\$ 33,225	\$ 28,400	\$ 112,511		
	\$ 50,886	\$ 41,563	\$ 29,411	\$ 121,860	1.09%	
*Bond proceeds are not included in deposit limits as applied to operating funds						

1) SDCIP Yield as of 12/31/2016

# Bond Proceeds Investment Transactions

## From January 1<sup>st</sup>, 2017 - January 31<sup>st</sup>, 2017

Settle Date	Description	Security Type	CUSIP	Coupon	Mature Date	Call Date	Unit Price	Amount
<b>PURCHASES</b>								
							\$	-
<b>CALLS</b>								
							\$	-
<b>MATURITIES</b>								
							\$	-
<b>DEPOSITS</b>								
							\$	-
<b>WITHDRAWALS / SALES</b>								
							\$	-



Questions ?

**FINANCE COMMITTEE**

Meeting Date: **FEBRUARY 21, 2017**

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**Subject:**

**Selection of Debt Underwriters for the Capital Program**

**Recommendation:**

Forward this item to the Board for approval.

**Background/Justification:**

The Authority anticipates debt issuance in 2017 to fund the Parking Plaza. It is also anticipated that further financings for additional capital projects (subject to Board approval) may be undertaken utilizing these underwriters. Therefore, the Authority is seeking to establish a pool of underwriting firms.

To accomplish a successful debt offering, a syndicate of underwriters, selected from the firms in the approved underwriting pool, is established to perform services including, but not limited to, underwriting the bonds. The Firm selected to act as senior manager on a transaction will be expected to provide the services set out below, in addition to other services which may reasonably be requested by the Authority:

- Provide recommendations with regard to the optimal size, structuring and timing of revenue bond issues.
- Provide pre-sale market analyses and participate in retail and investor pricing discussions with the Authority and its advisors, prior to and on the date of pricing.
- Assist in preparation of preliminary and final official statements, and review of supplemental indentures and other related bond documents.
- Participate in working group meetings.
- Attend meetings of the Authority's Board of Directors, the Board's Finance Committee, and other Committee meetings as appropriate or requested by the Authority.
- Analyze the merits of any structuring options and evaluate the cost-effectiveness of bond insurance bids.
- Develop retail and institutional marketing plans for each bond issue.

## Page 2 of 4

- Assist with presentations to rating agencies, bond insurers and potential investors.
- Provide advice regarding market conditions and trends.
- Provide a post-sale analysis of each transaction for which they are senior manager providing information on where bonds priced relative to other similar transactions; orders and allotments by firm.

In order to create fair and open competition, encourage the broadest qualified group of respondents, and identify and select a balanced underwriting team with core competencies in airport investment banking, underwriting California airport credits, demonstrated capital commitment, retail distribution (particularly in California), and institutional coverage, the Authority conducted a Request For Proposal (RFP) process. Respondents were requested to submit for senior manager consideration or co-manager consideration.

The RFP was issued in December 2016 whereby 32 firms viewed the RFP opportunity and 16 proposals were received on January 6, 2017. The rankings were as follows:

Senior Manager Rankings	Panelist 1	Panelist 2	Panelist 3	Panelist 4	Total	Rank
Bank of America Merrill Lynch	2	8	4	2	16	4
Barclays Bank PLC	5	10	5	8	28	8
Citigroup	1	2	1	1	5	1
Goldman, Sachs & Co	11	11	11	10	43	11
Jefferies LLC	6	4	10	4	24	6
JP Morgan Securities	9	6	6	6	27	7
Loop Capital Markets, LLC	9	7	7	11	34	9
Morgan Stanley & Co LLC	2	5	1	7	15	3
Raymond James & Associates	8	9	9	9	35	10
RBC Capital Markets, LLC	4	1	3	3	11	2
Siebert Cisneros Shank	7	3	8	5	23	5

Co-manager Rankings	Panelist 1	Panelist 2	Panelist 3	Panelist 4	Total	Rank
Academy Securities, Inc	5	3	5	5	18	5
Backstrom, McCarley, Berry & Co, LLC	1	2	1	1	5	1
Hutchinson Shockey Erley & Co	2	1	2	2	7	2
Rice Securities, LLC	3	3	3	3	12	3
The Williams Capital Group, LP	4	3	4	4	15	4

The top 7 senior manager and 2 co-managers were selected for interviews. After the interviews the following five senior manager firms and 1 co-manager firms was selected by the panel to be recommended to the Authority Board for approval as the Authority's underwriting pool: Backstrom McCarley Berry & Co.; Citigroup Global Markets; Jefferies LLC.; Morgan Stanley & Co; Siebert Cisneros Shank & Co.; RBC Capital Markets;

**Backstrom McCarley Berry & Co (selected as Co-manager role only)**

- Co-managed 4 issues, \$2.6 billion in Airport underwriting since 2015

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**Page 3 of 4**

- Based in California
- Certified Disadvantaged Business Enterprise (DBE) and a qualified Small Business

**Citigroup Global Markets:**

- Number 1 Underwriter of Airport Bonds since 2013
- Managed 15 and co-managed 15 issues, \$10.2 billion in Airport underwriting since 2015.
- Strong institutional and retail distribution capabilities including 51 retail distribution offices in California

**Jefferies:**

- Senior manager for \$379 million San Diego Airport Authority 2013 GARB issuance in January 2013
- Managed 2 and co-managed 5 issues, \$3.4 billion in Airport underwriting since 2015.

**Morgan Stanley and Co:**

- Ranks among top five firms in world underwriting fixed income securities
- Managed 6 and co-managed 17 issues, \$8.2 billion in Airport underwriting since 2015
- Strong institutional and retail distribution capabilities including 69 retail distribution offices in California who oversee approximately one million customers

**RBC Capital Markets:**

- Senior manager for Los Angeles department of Airports 2016 Subordinate Revenue Bonds
- Senior manager for 24 airport bonds (\$7.3 billion par) since 2015
- Currently in negotiations to provide additional variable rate debt to the Airport

**Siebert Cisneros Shank & Co**

- MBE firm headquartered in California and #1 ranked minority firm for senior managed airports since 2013
- Managed 2 and co-managed 17 issues, \$8.5 billion in Airport underwriting since 2015.
- Senior Manager for \$305 million San Diego Airport Authority 2014 Special Facility Bonds issuance in February 2014

**Fiscal Impact:**

The fees for underwriting and investment banking services are paid from bond proceeds and the costs are expensed in the year of issuance in the interest expense line item Future Fiscal budgets will include these costs, as applicable.

**Environmental Review:**

- A. CEQA: This Board action is not a project that would have a significant effect on the environment as defined by the California Environmental Quality Act ("CEQA"), as amended. 14 Cal. Code Regs. §15378. This Board action is not a "project" subject to CEQA. Cal. Pub. Res. Code §21065.
- B. California Coastal Act Review: This Board action is not a "development" as defined by the California Coastal Act. Cal. Pub. Res. Code §30106.

**Application of Inclusionary Policies:**

The Authority has the following inclusionary programs/policies: a Disadvantaged Business Enterprise (DBE) Program, an Airport Concession Disadvantaged Business Enterprise (ACDBE) Program, Policy 5.12 and Policy 5.14. These programs/policies are intended to promote the inclusion of small, local, service disabled veteran owned, historically under represented businesses and other business enterprises, on all contracts.

This contract does not utilize federal funds, therefore at the option of the Authority, Policy 5.12 was applied to promote the participation of qualified small businesses. Policy 5.12 provides a preference of up to five percent (5%) to small businesses in the award of selected Authority contracts. The final contract award is based on the amount of the original proposal.

The preference was applied to the selection of Debt underwriters at San Diego International Airport with Backstrom McCartney Berry and company, Inc.,

**Prepared by:**

SCOTT BRICKNER  
VICE PRESIDENT, FINANCE/TREASURER



# San Diego County Regional Airport Authority

## Selection of Debt Underwriters for the Capital Program

**Presented by:**  
John Dillon, Director  
*Financial Management*

*February 21, 2017*

# Agenda

- Underwriting Pool
- Underwriter Responsibilities
- Goals of Selection Process
- Selection Criteria
- Request for Proposal Results
- Board Action Requested

# Underwriting Pool

The Authority anticipates an Airport Revenue Bond issuance in 2017 and potential further financings in 2018

Staff recommends establishing a Pool of Underwriters to provide Investment Banking services for our upcoming bond issuances

The Authority would select the underwriting syndicate (senior manager and co-managers) for each transaction from the pool

# Underwriter Responsibilities

The underwriter will price and sell the bonds and if necessary take unsold bonds into inventory. The senior manager will provide:

- Provide recommendations with regard to the optimal size, structuring and timing of revenue bond issues.
- Provide pre-sale market analyses and participate in retail and investor pricing discussions with the Authority and its advisors, prior to and on the date of pricing.
- Assist in preparation of preliminary and final official statements, and review of supplemental indentures and other related bond documents.
- Analyze the merits of any structuring options and evaluate the cost-effectiveness of bond insurance bids.

# Goals of Selection Process

- ✓ Create fair and open competition
- ✓ Encourage broadest qualified group of respondents
- ✓ Select a balanced team with core competencies in:
  - Airport banking
  - Underwriting California airport credits
  - Demonstrated capital commitment
  - Retail distribution, particularly in California
  - Institutional coverage

# Selection Criteria

**Organization & Experience:** Demonstrated prior experience with financings of similar scope and complexity

**Key Personnel & Resources:** Demonstrated competence and experience of the firm's personnel responsible for performing the work and providing services

**Approach & Understanding of Services:** Understanding of the project scope, the Authority's objectives, and the proposed approach for providing the required services

**Compensation/Fees:** Providing economical services while maintaining high quality banking and underwriting services

# Results: A Pool of Six Firms to Serve the Authority

Firm	Highlights
Backstrom, McCarley, Berry & Co	<ul style="list-style-type: none"> <li>• Based in California</li> <li>• Co-managed 4 issues, \$2.6 billion in Airport underwriting since 2015</li> <li>• Selected as Co-Manager role only</li> <li>• Certified Disadvantaged Business Enterprise (DBE) and a qualified Small Business</li> </ul>
Citigroup Global Markets	<ul style="list-style-type: none"> <li>• Number 1 Underwriter of Airport Bonds since 2013</li> <li>• Managed 15 and Co-managed 15 issues, \$10.2 billion in Airport underwriting since 2015.</li> <li>• Strong institutional and retail distribution capabilities including 51 retail distribution offices in California</li> </ul>
Jefferies	<ul style="list-style-type: none"> <li>• Senior manager for \$379 million San Diego Airport Authority 2013 GARB issuance in January 2013</li> <li>• Managed 2 and Co-managed 5 issues, \$3.4 billion in Airport underwriting since 2015.</li> </ul>

# Results: A Pool of Six Firms to Serve the Authority

Firm	Highlights
Morgan Stanley	<ul style="list-style-type: none"> <li>• Ranks among top five firms in world underwriting fixed income securities</li> <li>• Managed 6 and Co-managed 17 issues, \$8.2 billion in Airport underwriting since 2015</li> <li>• Strong institutional and retail distribution capabilities including 69 retail distribution offices in California who oversee approximately one million customers</li> </ul>
RBC Capital Markets	<ul style="list-style-type: none"> <li>• Senior manager Book runner for Los Angeles department of Airports 2016 Subordinate Revenue Bonds</li> <li>• Senior manager for 24 airport bonds (\$7.3 billion par) since 2015</li> <li>• Currently in negotiations to provide additional variable rate debt to the Airport</li> </ul>
Siebert Cisneros Shank & Co.	<ul style="list-style-type: none"> <li>• Managed 2 and Co-managed 17 issues, \$8.5 billion in Airport underwriting since 2015.</li> <li>• MBE firm headquartered in California and #1 ranked minority firm for senior managed airports since 2013</li> <li>• Senior Manager for \$305 million San Diego Airport Authority 2014 Special Facility Bonds issuance in February 2014</li> </ul>

# Recommendation and Requested Actions

Staff recommends that the Committee forward the following recommendations to the Board for approval:

- Adopt Resolution No. 2017-XXXX, approving the selection of the debt underwriters for the capital program

# Questions



## STAFF REPORT

Meeting Date: **FEBRUARY 21, 2017**

### Subject:

**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.

### Background/Justification:

Authority Policies 3.30 (2)(b) and (4)(b) require that business expenses reimbursements of Board Members, the President/CEO, the Chief Auditor and the General Counsel be approved by the Executive Committee and presented to the Board for its information at its next regularly scheduled meeting.

Authority Policy 3.40 (2)(b) and (3)(b) require that travel expense reimbursements of Board Members, the President/CEO, the Chief Auditor and the General Counsel be approved by the Executive Committee and presented to the Board for its information at its next regularly scheduled meeting.

The attached reports are being presented to comply with the requirements of Policies 3.30 and 3.40.

### Fiscal Impact:

Funds for Business and Travel expenses are included in the FY 2016-2017 Budget.

### Environmental Review:

- A. This Board action is not a project that would have a significant effect on the environment as defined by the California Environmental Quality Act (CEQA), as amended. 14 Cal. Code Regs. §15378. This Board action is not a "project" subject to CEQA. Cal. Pub. Res. Code §21065.
- B. California Coastal Act Review: This Board action is not a "development" as defined by the California Coastal Act. Cal. Pub. Res. Code §30106.

**Application of Inclusionary Policies:**

Not applicable

**Prepared by:**

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

# **TRAVEL REQUEST**

**AMY GONZALEZ**

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY**  
**OUT-OF-TOWN TRAVEL REQUEST**

**GENERAL INSTRUCTIONS:**

- A. All travel requests must conform to applicable provisions of Policies 3.30 and 3.40.
- B. Personnel traveling at Authority expense shall, consistent with the provisions of Policies 3.30 and 3.40, use the most economical means available to affect the travel.

**1. TRAVELER:**

Travelers Name: Amy Gonzalez Dept: 15

Position:  Board Member  President/CEO  Gen. Counsel  Chief Auditor

All other Authority employees (does not require executive committee administrator approval)

**2. DATE OF REQUEST:** 1/23/17 **PLANNED DATE OF DEPARTURE/RETURN:** 2/26/17 / 2/28/17

**3. DESTINATIONS/PURPOSE (Provide detailed explanation as to the purpose of the trip-- continue on extra sheets of paper as necessary):**

Destination: Dallas, TX Purpose: P3 Conference  
Explanation: P3 Conference

**4. PROJECTED OUT-OF-TOWN TRAVEL EXPENSES**

**A. TRANSPORTATION COSTS:**

- AIRFARE \$ 600.00
- OTHER TRANSPORTATION (Taxi, Train, Car Rental) \$ 0.00

**B. LODGING**

\$ 500.00

**C. MEALS**

\$ 100.00

**D. SEMINAR AND CONFERENCE FEES**

\$

**E. ENTERTAINMENT (If applicable)**

\$

**F. OTHER INCIDENTAL EXPENSES**

\$

**TOTAL PROJECTED TRAVEL EXPENSE** \$

**CERTIFICATION BY TRAVELER** By my signature below, I certify that the above listed out-of-town travel and associated expenses conform to the Authority's Policies 3.30 and 3.40 and are reasonable and directly related to the Authority's business.

Travelers Signature:  Date: 1/24/17

**CERTIFICATION BY ADMINISTRATOR** (Where Administrator is the Executive Committee, the Authority Clerk's signature is required).

By my signature below, I certify the following:

1. I have conscientiously reviewed the above out-of-town travel request and the details provided on the reverse.
2. The concerned out-of-town travel and all identified expenses are necessary for the advancement of the Authority's business and reasonable in comparison to the anticipated benefit to the Authority.
3. The concerned out-of-town travel and all identified expenses conform to the requirements and intent of Authority's Policies 3.30 and 3.40.

Administrator's Signature: \_\_\_\_\_ Date: \_\_\_\_\_

**AUTHORITY CLERK CERTIFICATION ON BEHALF OF EXECUTIVE COMMITTEE**

I, \_\_\_\_\_, hereby certify that this document was approved

(Please leave blank. Whoever clerk's the meeting will insert their name and title.)

by the Executive Committee at its \_\_\_\_\_ meeting.

(Leave blank and we will insert the meeting date.)

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY  
OUT-OF-TOWN TRAVEL REQUEST**

**GENERAL INSTRUCTIONS:**

- A. All travel requests must conform to applicable provisions of Policies 3.30 and 3.40.
- B. Personnel travelling at Authority expense shall, consistent with the provisions of Policies 3.30 and 3.40, use the most economical means available to affect the travel.

**1. TRAVELER:**

Travelers Name: Amy Gonzalez Dept: 15  
Position:  Board Member  President/CEO  Gen. Counsel  Chief Auditor  
 All other Authority employees (does not require executive committee administrator approval)

2. DATE OF REQUEST: 1/24/17 PLANNED DATE OF DEPARTURE/RETURN: 4/23/17 / 4/24/17

3. DESTINATIONS/PURPOSE (Provide detailed explanation as to the purpose of the trip-- continue on extra sheets of paper as necessary):

Destination: Palm Springs, CA Purpose: ACI-NA - Business of Airports Conference  
Explanation: Speaker at ACI-NA Conference - Adverstising Policies and Guidelines

**4. PROJECTED OUT-OF-TOWN TRAVEL EXPENSES**

**A. TRANSPORTATION COSTS:**

- AIRFARE \$ 0.00
- OTHER TRANSPORTATION (Taxi, Train, Car Rental) \$ 0.00

**B. LODGING**

\$ 190.00

**C. MEALS**

\$ 100.00

**D. SEMINAR AND CONFERENCE FEES**

\$ 550.00

**E. ENTERTAINMENT (If applicable)**

\$

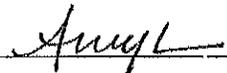
**F. OTHER INCIDENTAL EXPENSES**

\$

**TOTAL PROJECTED TRAVEL EXPENSE**

\$

**CERTIFICATION BY TRAVELER** By my signature below, I certify that the above listed out-of-town travel and associated expenses conform to the Authority's Policies 3.30 and 3.40 and are reasonable and directly related to the Authority's business.

Travelers Signature:  Date: 1/24/17

**CERTIFICATION BY ADMINISTRATOR** (Where Administrator is the Executive Committee, the Authority Clerk's signature is required).

By my signature below, I certify the following:

- 1. I have conscientiously reviewed the above out-of-town travel request and the details provided on the reverse.
- 2. The concerned out-of-town travel and all identified expenses are necessary for the advancement of the Authority's business and reasonable in comparison to the anticipated benefit to the Authority.
- 3. The concerned out-of-town travel and all identified expenses conform to the requirements and intent of Authority's Policies 3.30 and 3.40.

Administrator's Signature: \_\_\_\_\_ Date: \_\_\_\_\_

**AUTHORITY CLERK CERTIFICATION ON BEHALF OF EXECUTIVE COMMITTEE**

I, \_\_\_\_\_, hereby certify that this document was approved  
(Please leave blank. Whoever clerk's the meeting will insert their name and title.)  
by the Executive Committee at its \_\_\_\_\_ meeting.  
(Leave blank and we will insert the meeting date.)

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY  
OUT-OF-TOWN TRAVEL REQUEST**

**GENERAL INSTRUCTIONS:**

- A. All travel requests must conform to applicable provisions of Policies 3.30 and 3.40.
- B. Personnel traveling at Authority expense shall, consistent with the provisions of Policies 3.30 and 3.40, use the most economical means available to affect the travel.

**1. TRAVELER:**

Travelers Name: Amy Gonzalez Dept: 15

Position:  Board Member  President/CEO  Gen. Counsel  Chief Auditor

All other Authority employees (does not require executive committee administrator approval)

2. DATE OF REQUEST: 1/31/17 PLANNED DATE OF DEPARTURE/RETURN: 5/2/17 / 5/8/17

**3. DESTINATIONS/PURPOSE (Provide detailed explanation as to the purpose of the trip— continue on extra sheets of paper as necessary):**

Destination: Amelia Island, FL Purpose: ACI-NA - Legal Affairs Spring Conference  
Explanation: ACI-NA - Legal Affairs Conference

**4. PROJECTED OUT-OF-TOWN TRAVEL EXPENSES**

**A. TRANSPORTATION COSTS:**

- AIRFARE \$ 450.00
- OTHER TRANSPORTATION (Taxi, Train, Car Rental) \$ 120.00

B. LODGING \$ 1200.00

C. MEALS \$ 400.00

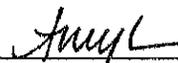
D. SEMINAR AND CONFERENCE FEES \$ 850.00

E. ENTERTAINMENT (If applicable) \$

F. OTHER INCIDENTAL EXPENSES \$

**TOTAL PROJECTED TRAVEL EXPENSE** \$

**CERTIFICATION BY TRAVELER** By my signature below, I certify that the above listed out-of-town travel and associated expenses conform to the Authority's Policies 3.30 and 3.40 and are reasonable and directly related to the Authority's business.

Travelers Signature:  Date: 2/4/17

**CERTIFICATION BY ADMINISTRATOR** (Where Administrator is the Executive Committee, the Authority Clerk's signature is required).

By my signature below, I certify the following:

1. I have conscientiously reviewed the above out-of-town travel request and the details provided on the reverse.
2. The concerned out-of-town travel and all identified expenses are necessary for the advancement of the Authority's business and reasonable in comparison to the anticipated benefit to the Authority.
3. The concerned out-of-town travel and all identified expenses conform to the requirements and intent of Authority's Policies 3.30 and 3.40.

Administrator's Signature: \_\_\_\_\_ Date: \_\_\_\_\_

**AUTHORITY CLERK CERTIFICATION ON BEHALF OF EXECUTIVE COMMITTEE**

I, \_\_\_\_\_, hereby certify that this document was approved  
(Please leave blank. Whoever clerk's the meeting will insert their name and title.)

by the Executive Committee at its \_\_\_\_\_ meeting.

(Leave blank and we will insert the meeting date.)

# **BUSINESS EXPENSE**

**APRIL BOLING**



**Revised 2/15/17**

**DRAFT**  
**BOARD**  
**AGENDA**

Thursday, March 2, 2017  
9:00 A.M.

San Diego International Airport  
SDCRAA Administration Building – Third Floor  
Board Room  
3225 N. Harbor Drive  
San Diego, California 92101

**Board Members**

C. April Boling  
Chairman

Greg Cox  
Jim Desmond  
Robert H. Gleason  
Jim Janney  
Mark Kersey  
Paul Robinson  
Michael Schumacher  
Mary Sessom

**Ex-Officio Board Members**

Laurie Berman  
Eraina Ortega  
Col. Jason Woodworth

**President / CEO**

Thella F. Bowens

***Live webcasts of Authority Board meetings can be accessed at***  
**<http://www.san.org/Airport-Authority/Meetings-Agendas/Authority-Board>**

This Agenda contains a brief general description of each item to be considered. The indication of a recommended action does not indicate what action (if any) may be taken. ***Please note that agenda items may be taken out of order.*** If comments are made to the Board without prior notice or are not listed on the Agenda, no specific answers or responses should be expected at this meeting pursuant to State law.

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**CALL TO ORDER:**

**PLEDGE OF ALLEGIANCE:**

**ROLL CALL:**

**PRESENTATIONS:**

**A. DISCUSSION REGARDING THE PARAMETERS FOR THE FISCAL YEAR 2018 AND FISCAL YEAR 2019 OPERATING BUDGETS:**

Presented by Scott Brickner, VP, Finance & Asset Management/Treasurer

**REPORTS FROM BOARD COMMITTEES, AD HOC COMMITTEES, AND CITIZEN COMMITTEES AND LIAISONS:**

***STANDING BOARD COMMITTEES***

- **AUDIT COMMITTEE:**  
Committee Members: Gleason, Hollingworth, Robinson (Chair), Schumacher, Sessom, Tartre, Van Sambeek
- **CAPITAL IMPROVEMENT PROGRAM OVERSIGHT COMMITTEE:**  
Committee Members: Gleason, Janney (Chair), Kersey, Robinson
- **EXECUTIVE PERSONNEL AND COMPENSATION COMMITTEE:**  
Committee Members: Boling, Cox, Desmond (Chair), Kersey, Schumacher
- **FINANCE COMMITTEE:**  
Committee Members: Boling (Chair), Cox, Janney, Sessom

***ADVISORY COMMITTEES***

- **AUTHORITY ADVISORY COMMITTEE:**  
Liaison: Robinson (Primary), Boling
- **ART ADVISORY COMMITTEE:**  
Committee Member: Gleason

***LIAISONS***

- **AIRPORT LAND USE COMPATIBILITY PLAN:**  
Liaison: Janney
- **CALTRANS:**  
Liaison: Berman

- **INTER-GOVERNMENTAL AFFAIRS:**  
Liaison: Cox
- **MILITARY AFFAIRS:**  
Liaison: Woodworth
- **PORT:**  
Liaisons: Boling, Cox, Gleason (Primary), Robinson
- **WORLD TRADE CENTER:**  
Representatives: Gleason (Primary)

***BOARD REPRESENTATIVES (EXTERNAL)***

- **SANDAG TRANSPORTATION COMMITTEE:**  
Representatives: Boling (Alternate), Janney (Primary)

**CHAIR’S REPORT:**

**PRESIDENT/CEO’S REPORT:**

**NON-AGENDA PUBLIC COMMENT:**

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**Note:** Persons wishing to speak on specific items should reserve their comments until the specific item is taken up by the Board.

**CONSENT AGENDA (Items 1-7):**

The consent agenda contains items that are routine in nature and non-controversial. Some items may be referred by a standing Board Committee or approved as part of the budget process. The matters listed under 'Consent Agenda' may be approved by one motion. Any Board Member may remove an item for separate consideration. Items so removed will be heard before the scheduled New Business Items, unless otherwise directed by the Chair.

**1. APPROVAL OF MINUTES:**

The Board is requested to approve minutes of prior meetings.

**RECOMMENDATION:** Approve the minutes of the February 2, 2017 regular meeting.

**2. ACCEPTANCE OF BOARD AND COMMITTEE MEMBERS WRITTEN REPORTS ON THEIR ATTENDANCE AT APPROVED MEETINGS AND PRE-APPROVAL OF ATTENDANCE AT OTHER MEETINGS NOT COVERED BY THE CURRENT RESOLUTION:**

The Board is requested to accept the reports.

RECOMMENDATION: Accept the reports and pre-approve Board member attendance at other meetings, trainings and events not covered by the current resolution.

**(Corporate & Information Governance: Tony R. Russell, Director/Authority Clerk)**

**3. AWARDED CONTRACTS, APPROVED CHANGE ORDERS FROM JANUARY 9, 2017 THROUGH FEBRUARY 5, 2017 AND REAL PROPERTY AGREEMENTS GRANTED AND ACCEPTED FROM JANUARY 9, 2017 THROUGH FEBRUARY 5, 2017:**

The Board is requested to receive the report.

RECOMMENDATION: Receive the report.

**(Procurement: Jana Vargas, Director)**

**4. MARCH 2017 LEGISLATIVE REPORT:**

The Board is requested to approve the report.

RECOMMENDATION: Adopt Resolution No. 2017-\_\_\_\_, approving the March 2017 Legislative Report.

**(Inter-Governmental Relations: Michael Kulis, Director)**

***CLAIMS***

**5. REJECT THE CLAIM OF JO-ANN MONTGOMERY:**

The Board is requested to reject the claim.

RECOMMENDATION: Adopt Resolution No. 2017-\_\_\_\_\_, rejecting the claim of Jo-Ann Montgomery.

**(Legal: Amy Gonzalez, General Counsel)**

***COMMITTEE RECOMMENDATIONS***

**6. SELECTION OF DEBT UNDERWRITERS FOR THE CAPITAL PROGRAM:**

The Board is requested to approve the selection of debt underwriters.

RECOMMENDATION: Adopt Resolution No. 2017-\_\_\_\_\_, approving the selection of the debt underwriters for the capital program.

**(Presented by John Dillon, Director, Financial Management)**

***CONTRACTS AND AGREEMENTS***

**CONTRACTS AND AGREEMENTS AND/OR AMENDMENTS TO CONTRACTS AND AGREEMENTS EXCEEDING \$1 MILLION**

7. **APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE ON-CALL ELECTRICAL SERVICE AGREEMENTS WITH BAKER ELECTRIC, INC.; CHULA VISTA ELECTRIC CO.; GLOBAL POWER GROUP, INC.; M&K GENERAL CONTRACTORS, INC.; AND, NEAL ELECTRIC, INC.:**

The Board is requested to approve agreements.

RECOMMENDATION: Adopt Resolution No. 2017-\_\_\_\_\_, approving and authorizing the President/CEO to execute on-call electrical service agreements with Baker Electric, Inc.; Chula Vista Electric Co.; Global Power Group, Inc.; M&K General Contractors, Inc.; and, Neal Electric, Inc., – each agreement, for a term of three years, with the option for two one-year extensions exercisable at the discretion of the President/CEO, for an aggregate total not-to-exceed amount of \$5,000,000 to provide on-call electrical services for San Diego International Airport's ("SDIA's") Capital Major Maintenance Program.

**(Presented by David LaGuardia, Director, Facilities Management)**

**PUBLIC HEARINGS:**

**OLD BUSINESS:**

8. **PRESENTATION AND APPROVAL OF THE AMENDED PREFERRED AIRPORT DEVELOPMENT PLAN CONCEPT (*CONTINUED FROM THE FEBRUARY 2, 2017 BOARD MEETING*):**

The Board is requested to approve the amended preferred concept.

RECOMMENDATION: Adopt Resolution No. 2017-0013, refining the preferred Airport Development Plan Concept Alternative Five and directing staff to continue ADP programmatic planning and environmental analysis, based on the amended preferred alternative identified in the presentation and the staff report.

**(Airport Planning & Noise Mitigation: Angela Jamison, Acting Director)**

**NEW BUSINESS:**

**CLOSED SESSION:**

9. **CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION:**

(Cal. Gov. Code §54956.9(a))

GGTW LLC v San Diego County Regional Airport Authority, et al.

San Diego Superior Court Case No. 37-2016-00032646-CU-BC-CTL

10. **CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION:**

(Cal. Gov. Code §54956.9(a))

San Diego County Regional Airport Authority v. American Car Rental, Inc.

San Diego Superior Court Case No. 37-2016-00024056-CL-BC-CTL

- 11. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION:**  
(Cal. Gov. Code § 54956.9(a) and (d)(1).)  
Dryden Oaks, LLC v. San Diego County Regional Airport Authority, et al.,  
San Diego Superior Court, North County, Case No. 37-2014-00004077-CU-EINC
- 12. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:**  
(Significant exposure to litigation pursuant to Cal. Gov. Code §§ 54956.9(d)(2))  
Re: Investigative Order No. R9-2012-0009 by the California Regional Water  
Quality Control Board regarding submission of technical reports pertaining to an  
investigation of bay sediments at the Downtown Anchorage Area in San Diego.  
Number of potential cases: 1
- 13. CONFERENCE WITH REAL PROPERTY NEGOTIATORS AND WITH LEGAL  
COUNSEL – ANTICIPATED LITIGATION:**  
(Gov. Code §§54956.9(d)(e)(1) and 54954.5(b))  
Property: Concession leases (food & beverage) with Host, High Flying Foods and SSP  
Agency Negotiator: Scott Brickner, Kathy Kiefer and Eric Podnieks  
Negotiating Parties: Host, High Flying Foods San Diego Partnership, SSP  
America, Inc. and Stellar Partners, Inc.  
Under negotiation: rent (price and terms of payment), closure/conversion of  
locations, new concession buildout, ACDBE participation, lease compliance  
issues, claim by Host and close outs/permits.
- 14. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:**  
(Significant exposure to litigation pursuant to cal. Gov. Code §54956.9(e)(3))  
The Receipt of a Government Claim from VIP Taxi Inc.
- 15. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:**  
(Significant exposure to litigation pursuant to Cal. Gov. Code section  
54956.9(e)(3))  
The Receipt of a Government Claim from K.S.A.N. L.L.C.
- 16. 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
- 17. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:**  
Significant exposure to litigation pursuant to paragraph (2) of subdivision  
(d) of Section 54956.9  
Number of potential cases: 1
- 18. CONFERENCE WITH LEGAL COUNSEL –ANTICIPATED LITIGATION**  
Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of  
Section 54956.9: 1 case  
*In re Seaport Airlines, Inc.*  
U.S. Bankruptcy Court Case No. 16-30406-rld7

**19. PUBLIC EMPLOYEE APPOINTMENT:**

Cal. Gov. Code §54957

Title: President/Chief Executive Officer

**REPORT ON CLOSED SESSION:**

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**GENERAL COUNSEL REPORT:**

**BUSINESS AND TRAVEL EXPENSE REIMBURSEMENT REPORTS FOR BOARD MEMBERS, PRESIDENT/CEO, CHIEF AUDITOR AND GENERAL COUNSEL WHEN ATTENDING CONFERENCES, MEETINGS, AND TRAINING AT THE EXPENSE OF THE AUTHORITY:**

**BOARD COMMENT:**

**ADJOURNMENT:**

**Policy for Public Participation in Board, Airport Land Use Commission (ALUC), and Committee Meetings (Public Comment)**

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- 3) Persons wishing to speak on specific items listed on the agenda will be afforded an opportunity to speak during the presentation of individual items. Persons wishing to speak on specific items should reserve their comments until the specific item is taken up by the Board, ALUC and Committees. Public comment on specific items is limited to twenty (20) minutes – ten (10) minutes for those in favor and ten (10) minutes for those in opposition of an item. Each individual speaker will be allowed three (3) minutes, and applicants and groups will be allowed five (5) minutes.
- 4) If many persons have indicated a desire to address the Board, ALUC and Committees on the same issue, then the Chair may suggest that these persons consolidate their respective testimonies. Testimony by members of the public on any item shall be limited to **three (3) minutes per individual speaker and five (5) minutes for applicants, groups and referring jurisdictions.**
- 5) Pursuant to Authority Policy 1.33 (8), recognized groups must register with the Authority Clerk prior to the meeting.
- 6) After a public hearing or the public comment portion of the meeting has been closed, no person shall address the Board, ALUC, and Committees without first obtaining permission to do so.

**Additional Meeting Information**

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**UPCOMING MEETING SCHEDULE**

<i>Date</i>	<i>Day</i>	<i>Time</i>	<i>Meeting Type</i>	<i>Location</i>
April 6	Thursday	9:00 a.m.	Regular	Board Room

**DRAFT**  
**AIRPORT LAND USE COMMISSION**  
**AGENDA**

Thursday, March 2, 2017  
9:00 A.M. or immediately following the Board Meeting

San Diego International Airport  
SDCRAA Administration Building – Third Floor  
Board Room  
3225 N. Harbor Drive  
San Diego, California 92101

**Board Members**

C. April Boling  
Chairman

Greg Cox  
Jim Desmond  
Robert H. Gleason  
Jim Janney  
Mark Kersey  
Paul Robinson  
Michael Schumacher  
Mary Sessom

**Ex-Officio Board Members**

Laurie Berman  
Eraina Ortega  
Col. Jason Woodworth

**President / CEO**

Thella F. Bowens

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*Pursuant to California Public Utilities Code §§ 21670-21679.5, the Airport Land Use Commission ("Commission") is responsible for coordinating the airport planning of public agencies within San Diego County. The Commission has the legal responsibility to formulate airport land use compatibility plans ("ALUCPs") that will (a) provide for the orderly growth of each public airport and the areas surrounding the airport within the County and (b) safeguard the general welfare of the inhabitants within the vicinity of each airport and the public in general. Pursuant to §21670.3, the San Diego County Regional Airport Authority serves as the Commission.*

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**PLEDGE OF ALLEGIANCE:**

**ROLL CALL:**

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**CONSENT AGENDA (Items 1):**

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**1. APPROVAL OF MINUTES:**

The Airport Land Use Commission is requested to approve minutes of prior meetings.

RECOMMENDATION: Approve the minutes of the February 2, 2017 regular meeting.

**CONSISTENCY DETERMINATIONS**

**PUBLIC HEARINGS:**

**OLD BUSINESS:**

**NEW BUSINESS:**

**COMMISSION COMMENT:**

**ADJOURNMENT:**

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